
**AN OUTLINE
OF SOCIAL
DEVELOPMENT**

PART II

CAPITALIST SOCIETY

PAIRICE LUMUMBA FRIENDSHIP UNIVERSITY

AN OUTLINE OF SOCIAL DEVELOPMENT

PART II

CAPITALIST SOCIETY

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PROGRESS PUBLISHERS
Moscow

Translated from the Russian by DAVID A. MYSHNE

PUBLISHERS' NOTE

This is Part II of the textbook *An Outline of Social Development*.

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C-88567.

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Chapter 1

MAIN FEATURES OF THE CAPITALIST MODE OF PRODUCTION

PRODUCTION RELATIONS IN CAPITALIST SOCIETY

Capitalism is a social system in which the instruments and means of production belong to a small number of landowners and capitalists, while the masses own no property, or hardly any, and must therefore hire out for work.

Simple and Capitalist Commodity Production

Capitalist production has grown out of simple commodity production. However, this did not occur all at once, but over a long period of development of human society. Capitalist production could not develop from simple commodity production either under the slave-owning or the feudal system of society since, owing to the low level of development of the productive forces, the commodity economy then played but a very small part in the social economy. Under capitalism all enterprises produce goods not for personal consumption, but for sale. As capitalism develops, small producers—peasants—also sell an increasingly greater part of their produce. Under capitalism nearly all means of production and consumers' goods are bought and sold.

Both simple and capitalist commodity production have two basic features in common. These are, firstly, private ownership of the means of production, and, secondly, social division of labour. The commodity economy developed simultaneously with the development, extension and deepening of the social division of labour.

Private ownership of the means of production, which is common to both simple commodity production and capitalism, is the factor which gives rise to capitalism. Simple commodity production gave rise to capitalist production not only in the past; under certain social conditions it is still capable of engendering, and actually does engender, capitalism, enriching the minority and ruining the majority of the producers.

There is also an essential difference between simple commodity production and capitalist production. Under simple commodity production the peasant or handicraftsman produces commodities by his own labour, i.e., the basis of the commodity production is the personal labour of the producer who owns the commodities. Under capitalism the commodities are not produced and owned by the same person. Capitalist production is based on exploitation of hired labour.

Production Relations under Capitalism

There were large economic organisations also before capitalism with many people producing not only for the owners' personal consumption, but also for marketing (for example, the Roman latifundia). But these organisations cannot be called capitalist since they did not employ hired labour, but used slaves (in the latifundia) or serfs.

The position of a wage-worker differs from that of a slave or serf, although each of them is a representative of an exploited class. Unlike a slave or serf, a worker is personally free and is not legally obliged to work for a capitalist. But, as a rule, a worker has no economy of his own to provide him with the necessary means of subsistence. To provide for himself and his family, he must hire himself out to a capitalist. When a worker agrees to work for a capitalist he does so voluntarily, in the sense that neither the capitalist, nor anybody else uses force to make him work.

Under capitalism hired labour prevails because of the peculiarities of the capitalist mode of production in which the material conditions of production—the land and the instruments and means of production—are controlled by a

comparatively small group of capitalists, while the masses of the people have nothing but their labour power. The owners of the instruments and means of production do not have to work since they can enjoy the fruits of the labour of other people who have to work in order to live. Exploitation of workers by capitalists is the essence of the production relations under capitalism.

The production relations include the forms of ownership of the means of production, the positions of the classes and social groups in production and their interrelations, and the forms of distribution of the goods.

Capitalist production relations are based on capitalist private ownership of the means of production, which differs from the other forms of private ownership, primarily from small property ownership. The private property ownership of small producers is based on their personal labour, while capitalist private property ownership is based on exploitation of wage-workers. The private property of a capitalist is not created by himself, but is the product of the labour of workers of capitalist enterprises.

The form of ownership determines the position of the classes in the production process. In capitalist society a worker works under the control of a capitalist who owns the worker's labour and the product of his labour. The distribution of the products among the capitalists and workers differs in the share of the products they receive and the method by which they receive it. A capitalist receives a profit which is enough not only for personal consumption, but also for expansion of production. A worker receives wages which are at best enough to provide a normal existence for his family.

Under capitalism, as under the slave and feudal systems, the production relations are based on exploitation of man by man. But the forms of exploitation change. Before capitalism there were also rich people and poor people, and the poor found themselves dependent on the rich. But before capitalism there were no capitalists. A person is called a capitalist not only because he is rich. A rich person becomes a capitalist only when, in virtue of definite social relations, he is in a position to utilise his riches for exploiting other free people so that he may live by the fruits of their labour.

Labour Power as a Commodity

A worker cannot but hire out to a capitalist, otherwise he has no means of subsistence; nor can a capitalist start production without workers, although he has all the means of production. A worker, like any person, has labour power, i.e., the ability to work. Labour power is an important element of production in any society. But under capitalism the role of labour power changes, for it, too, becomes a commodity. With the transformation of labour power into a commodity, commodity production assumes a general character and capitalism may therefore be considered the highest stage of commodity production.

Two conditions are necessary to transform labour power into a commodity. Firstly, a worker must be personally free so that he may be able to use his ability to work at his own discretion. Neither slave nor serf could sell their labour power since they were not free. Secondly, a worker must have no means of production or other means of subsistence so that he may have no alternative save offering his labour power to a capitalist. Peasant serfs were in an entirely different position because they had their own husbandry and were able to provide for themselves and for their families.

It follows that the coming of capitalism into existence required the appearance of masses of people who were personally free, but had neither means of production nor means of subsistence, and were therefore forced to sell their labour power. Moreover, it required large sums of money and means of production concentrated in the hands of individual persons. These conditions had been created in feudal society during the period of so-called primary accumulation of capital.

Value of Labour Power

Under capitalism labour power is a commodity and must therefore have its value. A commodity has a twofold character. Firstly, it is a thing that satisfies some human need. Secondly, it is a thing that is produced not for personal consumption, but for sale, for exchange. A commodity has two properties: use value and value. Use value is the property of a commodity, because of which the commodity

can satisfy some human need. The value of a commodity is the social labour of its producers embodied in the commodity. The value of a commodity manifests itself in the form of a quantitative relation in which one commodity is exchanged for another. This quantitative relation is called exchange value. The value of any commodity is determined by the amount of labour embodied in it, because commodities are created only by labour. The amount of labour is measured by the amount of working time. It follows that the value of labour is also measured by the amount of working time required for its reproduction. How can this time be measured? If a worker is to be able to work, he must have a minimum of means of subsistence, i.e., food, clothes, footwear, a dwelling, etc. To ensure the reproduction of labour power a worker must be able to provide not only for himself, but also for his family. Lastly, to operate complex machinery, a worker needs certain skills, which requires expenses for his training.

Hence, the value of labour power is determined by the cost of the means of subsistence required by the worker and his family. The value of labour power expressed in money is the price of labour power. The price of labour power under capitalism assumes the form of wages.

The value of labour power is not a value given once and for all, for it changes in the course of historical development. The value of labour power changes in two directions. On the one hand, as the result of increased labour productivity in the branches of economy which produce consumers' goods, the value of these goods decreases. But the value of consumers' goods, especially the necessities, forms part of the value of labour power and, consequently, the decrease in the value of consumers' goods leads to a decrease in the value of labour power. On the other hand, the value of labour power includes not only the value of consumers' goods required to restore the worker's physical powers, but also the cost of satisfying certain cultural needs of the worker and his family. As society develops, the usual requirements of workers change. The increase in the workers' requirements and the appearance of new goods raise the value of labour power. However, the most important factor affecting the value of labour power is the intensification of labour. Since more energy, not only physical, but also nervous, is squeezed

out of workers, it inevitably increases the amount of products required to restore their working capacity, i.e., it increases the value of labour power.

Capitalists always strive to bring the living standards of the working class to the lowest possible level. The working class opposes these attempts of the capitalists by fighting for higher living standards.

ESSENCE OF CAPITALIST EXPLOITATION

Role of Labour Power in the Process of Production

The concept of the "value of labour power" is not only of theoretical importance. Bourgeois political economy has asserted since the time of Adam Smith and David Ricardo that a worker sells his labour and not his labour power to the capitalist. If we agree with this point of view, we must draw the inevitable conclusion that a worker receives compensation in the form of wages for his labour and the capitalist receives his compensation in the form of profit on his capital. With such an explanation the worker and the capitalist are equal and there is no exploitation of man by man. In reality, however, the worker, by hiring out to the capitalist, does not sell his labour (he has not worked yet), but sells only his ability to work, i.e., his labour power. How this labour power will be used is decided by the capitalist and, of course, in his own interests. The capitalist uses the labour power so that the worker may yield by his labour more than he is paid for.

What role does labour power play in the process of production? By using his labour power the worker creates a product from raw material with the aid of machinery. Since the product is a commodity it has a value. The value of the commodity fully includes the value of the raw material and fuel, and part of the value of the buildings, machinery and instruments since they are used in the manufacture of the product. Moreover, the value of the commodity includes the new value created by the labour of workers in the manufacture of the commodity. This new

value is greater than the value of labour power for which the capitalist pays. We shall examine this on the following concrete example.

Surplus Value

Let us assume that the capitalist owns a sewing-machine factory. To manufacture sewing machines, he buys metal. To make 200 sewing machines, the capitalist buys 10,000 kg of metal at 20 cents a kg and spends a total of 2,000 dollars. In the manufacture of 200 sewing machines, the wear and tear of the equipment and the costs of lighting, heating, etc., amount to 250 dollars. The expenses on labour power (50 workers, each paid 5 dollars a day) add up to 250 dollars. The total expenses of the capitalist are as follows:

Cost of metal	2,000 dollars
Wear and tear of machinery	250 dollars
Value of labour power	250 dollars
<hr/>	
Total	2,500 dollars

It costs the factory 2,500 dollars to manufacture 200 sewing machines, i.e., each sewing machine is produced at a cost of $(2,500:200)$ 12.5 dollars.

Let us assume that such sewing machines are sold at 12.5 dollars a piece. If the capitalist sells his machines at this price, he will merely recover his expenses, i.e., he will make no profit.

Actually, however, it all works out differently. Capitalism enjoys a rather high level of labour productivity so that the daily labour of a worker produces much more than is necessary for his existence. The higher the level of technology, the less time is required to produce the worker's necessary means of subsistence. But having paid the day's value of labour power the capitalist makes the worker labour all the working day long. As the result the worker creates a value that is greater than the value of his labour power.

Let us assume that in our example the worker created a value equal to the value of his labour power in 4 hours. But under the terms of his contract with the capitalist he must work 8 hours. In 8 hours of work the same 50 workers will use up twice as much of the means of production and turn

out twice as many sewing machines, i.e., 400 sewing machines. In this case the capitalist's expenses change.

Cost of metal	4,000 dollars
Wear and tear of the machinery	500 dollars
Value of labour power	250 dollars

Total 4,750 dollars

By selling the 400 sewing machines at their former price (12.5 dollars a piece) the capitalist receives 5,000 dollars. The value received as the result of the production process exceeds the capitalist's expenses by 250 dollars. This excess of value is called surplus value.

The surplus value created by the labour of workers in the production process is the source of all unearned income in capitalist society: the profits of manufacturers and merchants, the dividends of share-holders, the interest received by usurers and bankers, the ground rent of land-owners, etc.

The capitalist was able to receive surplus value because the workers worked longer hours than were required to create the value equal to the value of labour power. The surplus value is freely appropriated by the capitalist, while the workers are not paid anything for creating it. It follows that the essence of capitalist exploitation lies in the appropriation by capitalists of the surplus value created by the labour of wage workers.

Capitalist exploitation differs from the slave and feudal exploitation in that it is disguised. The labour of slaves and serfs was forced labour. Under capitalism labour is also forced because workers have no means of subsistence, but this forced labour is disguised by the workers' personal freedom from the capitalists.

Necessary Labour and Surplus Labour

Under capitalism a worker works part of the time for himself and part of the time for the capitalist. The working time the worker requires to create the necessary means of subsistence for himself is called necessary labour time, and the labour expended during this time is called necessary labour. The necessary labour time is paid for by the capitalist in the form of wages.

The labour time expended on production of the surplus product is called surplus labour time, and the labour expended during this time is called surplus labour. The ratio of surplus labour to the necessary labour, or the ratio of surplus labour time to the necessary labour time shows the degree of exploitation of the worker.

Surplus labour creating a surplus product also existed before capitalism. The exploiter classes in the slave-owning and feudal societies lived precisely by the surplus labour of the exploited masses. But under capitalism the surplus product becomes a surplus value because labour power becomes a commodity; surplus value is itself used not only for consumption by capitalists, but also for exploitation of new workers since it changes to capital.

Aim of Capitalist Production

The conversion of surplus value into capital and its use for producing new surplus value is the aim of capitalist production. Capitalists always strive to obtain as much surplus value as possible with the least possible expenditures. They use every possible means to achieve this aim. Capital displays inordinate greed for surplus labour. According to a British trade union leader, capital fears the absence of profit or too small a profit as nature fears a vacuum, but as long as there is a sufficient profit, it becomes audacious; if you guarantee capital a 10 per cent profit, it will agree to any application; a 20 per cent profit enlivens it; at a 50 per cent profit it is virtually ready to break its neck; at a 100 per cent profit it tramples all human laws, and if it could make a 300 per cent profit, there is no crime which it would not risk even on pain of hanging.

The pursuit of surplus value was a powerful stimulus to the development of production unknown to either the slave-owning or the feudal society. This stimulus created a large-scale industry first in Europe and in North America and then throughout the world. At the same time the pursuit of surplus value engendered contradictions between the capitalists and the workers and imparted an antagonistic character to the development of capitalist production. For a capitalist only that labour is productive which produces

surplus value. In order to increase the surplus value each capitalist strives to squeeze as much surplus labour out of the workers as possible. There are two methods of increasing the surplus value. Let us examine them on a concrete example. Let us assume that the working day lasts 10 hours of which 5 hours are the necessary labour time and 5 hours are the surplus labour time.

5 hours	5 hours
necessary time	surplus time

In this case the degree of exploitation or the rate of surplus value will be:

$$\frac{5 \text{ hours surplus time}}{5 \text{ hours necessary time}} \times 100\% = 100\%$$

Absolute Surplus Value

The first method of increasing the rate of surplus value consists in prolonging the working day. Let us assume that the working day has been prolonged from 10 hours to 12 hours.

The necessary labour time has not changed because the value of labour power has not changed. But the surplus labour time has increased.

5 hours	7 hours
necessary time	surplus time

$$\frac{7 \text{ hours}}{5 \text{ hours}} \times 100\% = 140\%$$

The surplus value obtained by prolonging the working day is called absolute surplus value since the working day as a whole has become absolutely longer. Absolute surplus value, i.e., a prolonged working day, was characteristic of the initial period of the development of capitalism when technology was still at a low level, there were many peasants and handicraftsmen who had their own husbandries and

there were not enough workers. The bourgeois state then issued special laws forcing the workers to labour for the capitalists as much as possible. As a result the life expectancy among workers decreased and the death rate among the working people increased.

As the working class grew and gained strength the workers intensified their struggle for a shorter working day. The demand for a shorter working day was one of the first demands of the working-class movement. This struggle first began in England. In the middle of the 19th century the working day in England was restricted to 12 hours and in 1901, to 10 hours. The struggle for a shorter working day was also waged in other countries. For example, in Russia after big strikes in 1897 a law was passed limiting the working day to 11.5 hours.

Later the working class movement demanded an 8-hour working day. The struggle for an 8-hour working day gained momentum particularly after the victorious 1917 socialist revolution in Russia had given effect to this demand of the proletariat. Under the pressure of the working class the 8-hour working day was introduced in many capitalist countries. The capitalists compensated themselves for the shortening of the working day by sharply speeding up labour.

Relative Surplus Value

The increase in surplus value through prolonging the working day engendered the resistance of the workers. This impelled the capitalists to resort to another method of intensifying exploitation. This method does not increase the total duration of the working day, but reduces the necessary labour time, which simultaneously increases the surplus labour time and, consequently, the surplus value. The rise in labour productivity in the branches producing consumers' goods for workers makes it possible to shorten the necessary labour time and at the same time decreases the cost of the workers' means of subsistence and, correspondingly, the value of labour power. Whereas formerly 5 hours were expended to produce a worker's means of subsistence, now, for example, only 3 hours are expended for this purpose. In this case the working day looks as follows:

3 hours	7 hours
necessary time	surplus time

The degree of exploitation has also increased, although the duration of the working day has not changed.

The surplus value resulting from the decrease in the necessary labour time and the corresponding increase in the surplus labour time due to the rise in labour productivity is called relative surplus value.

The capitalists thus use every possible means—expansion of production, development of technology and intensified exploitation of workers—to obtain as much surplus value as possible. Production of surplus value is the principal economic law of capitalist society.

Capital

In studying capitalist society we encounter first of all the concept of capital. What is capital? What do we imply by this term?

There are many concrete manifestations of capital. In any bourgeois country capital may be money, machinery, buildings, ready-made goods, etc. The first conclusion that can therefore be drawn is that capital is value. However, not every value is capital. A worker's wages are paid in money, but this does not mean that the worker has capital. A peasant has a house and agricultural implements, but this property is not capital either. Money, like any other value, becomes capital only when it increases its value, i.e., when it produces surplus value. We can therefore extend the first conclusion by defining capital as value which produces surplus value.

Bourgeois science asserts that profit is an intrinsic property of capital. However, capital cannot of itself produce surplus value. Capital increases its value only when it unites with labour, i.e., in the process of production. Capital exploits the worker who by his labour creates surplus value which in its turn increases capital. It follows that capital is value which produces surplus value by exploiting wage-workers.

Whatever its concrete form, capital is not merely a thing. Capital embodies certain production relations between the

capitalist class and the class of wage workers, and these relations are expressed in exploitation of man by man.

In defining capital bourgeois economists usually imply by it the means of production. This view was held by Adam Smith and David Ricardo, representatives of English classical bourgeois political economy. Ricardo, for example, regarded as capital the stone and stick, i.e., the primitive tools of primitive man. Bourgeois science still continues to identify capital with the means of production. It strives to represent capital as the eternal and natural condition of any production. The "finding" of capital in primitive society serves precisely this purpose. The "theory of eternal existence" of capital is supposed to confirm the "theory of eternal existence" of capitalism.

Bourgeois economists misrepresent the history of the origin of capitalism and of the formation of classes in capitalist society. According to them, hard-working and thrifty people became capitalists, while the lazy people who had squandered all their property became workers. These fabrications have nothing in common with historical truth. Primary accumulation of capital was marked not by thrift, but by real plunder of the colonies, forcible dispossession of peasants, and rigid laws against the poor in order to create a capitalist labour discipline.

CLASS COMPOSITION OF CAPITALIST SOCIETY

Bourgeoisie and Proletariat

Each class society has different classes and strata, but these always include the principal classes whose interrelations express the main contradiction of society. In the slave-owning society these classes were the slave-owners and the slaves; in feudal society they were the landowners and the serfs. The principal classes in capitalist society are the bourgeoisie and the proletariat.

The bourgeoisie is the class which owns the means of production and uses them to exploit wage-workers. The bourgeoisie itself is not homogeneous. Today the upper group of the capitalist class is the monopoly bourgeoisie which dominates in the economy and politics of the capitalist

world. Thus 200 monopolies control one-third of the production of all capitalist countries. The petty bourgeoisie occupies an intermediate position between the capitalist and working classes. A considerable part of small enterprise owners is dependent upon big companies.

In the past the petty urban bourgeoisie enjoyed higher living standards than the working class. Today the income of the overwhelming majority of the petty bourgeoisie is not higher, and in a number of cases is even lower, than the wages of workers of large enterprises. On the other hand, the working conditions of a small enterprise owner are worse than those of workers, for he has a longer working day and does not enjoy the social benefits the workers have won in their persistent struggle. Moreover, a small producer is dependent on big companies. The petty bourgeoisie has in the main lost its independence.

The proletariat is a class of wage-workers deprived of the means of production and means of subsistence and therefore forced to sell its labour power to capitalists.

In capitalist society the bourgeoisie and the proletariat are inseparably connected since the bourgeoisie cannot exist and grow richer without exploiting wage-workers, while the proletarians cannot live without hiring themselves out to capitalists and without selling their labour power. At the same time the bourgeoisie and the proletariat are antagonistic classes and their interests are irreconcilable. The contradictions between the bourgeoisie and the proletariat form the main contradiction of capitalist society.

Landowners and Peasants

In addition to the bourgeoisie and the proletariat capitalist society also has a class of landowners and a class of peasants. These classes have come down from the feudal system, but have considerably changed. Under capitalism landowners are a class of people who own large tracts of land and rent it to capitalist tenants or peasants or engage in large-scale capitalist farming using hired labour.

Peasants are for the most part small producers working on their own farms with the aid of their own means of production. The peasants constituting a large part of the population of most bourgeois countries are socially

heterogeneous. A process of differentiation of the peasantry is continuously operating; this process forms capitalist elements, increases the number of poor peasants and ruins the latter.

Middle Strata

The development of capitalism is characterised by an increase in wage-workers and employees and a decrease in the number of independent proprietors. For example, in 1870 the independent proprietors in the U.S.A. constituted 40.4 per cent of the gainfully employed population, whereas in 1954 they formed only 13.3 per cent, while the wage-workers and employees increased from 59.4 to 86.8 per cent.

Despite all the evidence to the contrary, bourgeois scientists assert that in modern capitalist society class opposites are disappearing and the formerly antagonistic classes are being replaced by a "middle class". If we are to believe Th. Marshall, an English professor, nearly all of Western society is being transformed into one enormous "middle class". In capitalist countries all who have automobiles, refrigerators, TV sets and other articles of long-term use are considered to belong to the "middle class". However, the purchase of a TV set and even an automobile by a worker does not change his social status and his relations to the means of production, in other words, it does not make him a capitalist. Articles of long-term use are very often bought by workers on credit so that the workers actually do not fully own them. It often happens that a worker cannot make an instalment and is therefore dispossessed of this "property".

The "middle class" theory rests on such a phenomenon as the increase in the number of employees in capitalist countries. Employees are not workers in the usual sense of this word because they are engaged not in physical, but in mental labour. But they are, like workers, also hired people. To be sure, the number of employees in capitalist countries is rapidly growing. In the beginning of the 20th century the employees in the principal capitalist countries numbered 7 or 8 per cent of the gainfully employed population, while today they number 20-30 per cent. In the U.S.A.

there are more than 23 million employees, i.e., about one-third of the gainfully employed population. Because of this the bourgeois ideologists have proclaimed the employees to be the "new middle class" which is allegedly engulfing both the proletariat and the bourgeoisie and is becoming the decisive force of social development.

In reality, however, there is no "new middle class" or "class of employees". In capitalist society employees are a very heterogeneous stratum. The upper section of employees—government officials, company superintendents, bank directors, etc.—are, according to their social status and amount and method of earnings, closely related to the bourgeois class, while most employees belong to the working class and are closely related to the proletariat. All workers of these categories are often called "white-collar" workers.

Considerable changes have taken place in the composition of the intelligentsia. The number of intellectuals working for hire has increased. This group of the intelligentsia is closely related to the working class in its status; it forms trade unions (teachers', medical workers') which take an active part in the working-class movement.

CONTRADICTIONS OF CAPITALISM

Basic Contradiction of Capitalism

As capitalism develops, the social division of labour increases and interconnections and interdependence between formerly independent branches of industry are established. Economic relations between various enterprises, areas and whole countries considerably increase. The capitalist system embraces whole continents, even including the colonial countries in which there are as yet no capitalist relations.

Large-scale production is created both in industry and in agriculture. With the development of the productive forces such instruments and methods of production come into existence which require unification of the labour of hundreds and even thousands of workers. Production assumes an increasingly more social character. But private ownership of the means of production results in the approp-

riation of the product of social labour of millions of people by a small group of capitalists.

The capitalist system is characterised by a deep contradiction: production assumes an increasingly more social character, while the ownership of the means of production remains in the hands of private capitalists, which is incompatible with the social character of production. The contradiction between the social character of production and the private-capitalist form of appropriation of the results of production is the basic contradiction of capitalism.

The basic contradiction of capitalism expresses the contradiction between the continuously developing productive forces and the capitalist production relations. This contradiction manifests itself particularly vividly in the economic crises of overproduction.

Economic Crises

Since the beginning of the 19th century, i.e., since the coming of large-scale machine industry into existence, the economy of capitalist countries is periodically shaken by economic crises. The first economic crisis that involved the entire economy of the country occurred in England in 1825. In 1836 England was shaken by a new crisis which also spread to the U.S.A. The next crisis occurring in 1847-48 was a world crisis. It was followed by the crises of 1857, 1866, 1873, 1882 and 1890. In the 20th century crises occurred in 1900-03, 1907, 1920-21, 1929-33 and 1937-38. Since World War II the U.S.A., for example, had four crises (1948-49, 1953-54, 1957-58 and 1960-61). The 1957-58 crisis was a world crisis involving countries accounting for almost two-thirds of the industrial output of the capitalist world.

The economic crises under capitalism are overproduction crises. During a crisis the goods have no market because more goods have been produced than can be purchased by consumers whose purchasing power is limited. The overproduction of goods does not in any way mean that the needs of all members of society have been satisfied. On the contrary, during a crisis the working people find themselves in particularly difficult straits and their living standards are sharply affected. Because of the growth of unemployment enormous numbers of people are completely deprived

of all means of subsistence. The excess of goods does not apply to the real needs of society, but to the inability of the population to buy these goods; the overproduction of goods during a crisis is therefore relative.

The economic crises of overproduction are based on the contradiction between the social character of production and the private-capitalist form of appropriation of the results of production. Millions of people work at capitalist enterprises, but all they produce belongs to the owners of the enterprises. However much a worker may produce he can buy only the amount his wages enable him to buy.

In pursuit of the greatest profits capitalists expand production, perfect the technology and throw enormous quantities of goods on the market. But the increase in the workers' wages, if they increase at all, lags behind the growth of production. This means that the effective demand of the working class, the broad masses of the working people, relatively decreases. The expansion of capitalist production inevitably runs into the limited consumption capacity of the main masses of the people.

The main contradiction of capitalism manifests itself in the class antagonisms between the proletariat and the bourgeoisie. The characteristic capitalist discrepancy between the two most important conditions of production—between the means of production concentrated in the hands of the capitalists and the direct producers deprived of the means of production and owning only their labour power—shows itself particularly clearly in the crises of overproduction with an excess of the means of production and products, on the one hand, and an excess of labour power, a mass of unemployed deprived of the means of subsistence, on the other.

The crises aggravate the class antagonisms between the proletariat and the bourgeoisie, and between the peasants and the landowners who exploit them, the class struggle in capitalist society intensifies, and broad masses of the working people take part in this struggle.

Crises are an unavoidable concomitant of the capitalist mode of production. They cannot be eliminated as long as capitalism exists. They indicate very clearly that the productive forces created by capitalism have outgrown the bourgeois production relations with the result that the latter have become an impediment to the further growth of the

productive forces. To ensure this growth, it is necessary to abolish capitalist private ownership of the means of production and the capitalist production relations.

By developing the productive forces and socialising production capitalism objectively creates the material prerequisites for socialism. At the same time it engenders the force which is destined to transform society. This force is the working class.

Chapter 2

BOURGEOIS REVOLUTIONS

OVERTHROW OF THE FEUDAL SYSTEM AND ITS REPLACEMENT BY THE BOURGEOIS SYSTEM

The continuous growth of the productive forces is a law governing the development of human society. But this development is impeded by the old production relations which lag behind the growth of the productive forces. The discrepancy between the productive forces and the old production relations forms the basis of social revolution which leads to replacement of one socio-economic formation by another, more progressive one. This is also a law governing historical development. The above contradiction finds its expression in the struggle between the reactionary classes, which upheld the obsolete production relations, and the progressive classes, primarily the working people, who constitute the chief element of the continuously developing productive forces. At a certain stage of its development the class struggle leads to revolution.

Socio-Economic Basis and Character of Bourgeois Revolutions

Social revolutions are distinguished according to their character and driving forces, their economic, social and political results. The character of a revolution is determined by the contradictions it settles and the aims it is supposed to accomplish, in other words, by the production relations it must destroy and those it must establish. A revolution which, by the course of the socio-economic development of society, is destined to abolish feudal relations is by its

character a bourgeois revolution. The socio-economic basis of bourgeois revolutions is the discrepancy between the new productive forces, which have developed in the bowels of feudal society, and the old feudal production relations. The feudal mode of production which replaced the slave mode of production was a higher stage of economic development. It offered extensive opportunities for the growth of the productive forces.

The labour of a dependent peasant, who had his own farm and instruments of production and who was in a certain sense interested in the productivity of his labour, was more productive than the labour of a slave. But at a certain stage of development of social production forced labour became an impediment to the development of agriculture and industry.

The ruling, exploiter classes stand guard over the moribund production relations. They use their state power to retain their domination. To establish new production relations, the revolutionary class must therefore first assume power. The question of state power is the basic question of any revolution. The overthrow of the old system and the organisation of new power form the content of a political revolution.

Development of Capitalist Production Relations in the Bowels of Feudalism

A characteristic feature of bourgeois revolutions is that capitalist production relations begin to form and even to develop in the bowels of feudal society before the victory of the bourgeois revolution. This is very well seen in the English bourgeois revolution of the 1640s and the French bourgeois revolution of the end of the 18th century. These revolutions were not specifically English or French. Unlike the Dutch bourgeois revolution, these were revolutions of European importance. They were not the victory of only these countries; they proclaimed a new political and social system of Europe as a whole. They expressed to a greater extent the needs of the entire world of the time than those of any particular part of it—England or France. That is why the history of the English and French revolutions furnishes convincing material for elucidation of the peculiarities of bourgeois revolutions in general.

Origin of Capitalism in England

During the second half of the 16th century and the first half of the 17th century England exhibited intensive growth of capitalist relations, development of capitalism in industry. Various forms of capitalist manufacture were developing side by side with small-scale commodity production. Large-scale capitalist production appeared primarily where a higher technical level and, consequently, greater capital expenditures were required. These were metallurgy, mining, glass-, silk- and arms-manufacturing, etc.

The development of manufacture fostered the growth of production. For example, from 1560 to 1680 coal-mining increased 14-fold and reached 3 million tons a year. That was four-fifths of all the coal mined in Europe during that period. In the course of 100 years, from 1540 to 1640, lead-, tin- and copper-mining increased 6-8-fold and iron ore-mining increased 3-fold.

In English agriculture capitalism developed perhaps even more intensively than in industry. It began in the countryside earlier and was more fundamental. That imparted a special character to the process of primary accumulation of capital in England and played its role in the distribution of the class forces in the country.

Part of the nobility found it profitable to engage in the capitalist enterprise of breeding sheep and selling wool. The landed nobility strove to liquidate the arable lands of the peasants. In the end that resulted in a mass expropriation of the peasantry. Representatives of this part of the feudal class, the so-called "new nobles", carried on vigorous activity in industry (and in both domestic and foreign trade). The most well-to-do peasants who were transformed into capitalist farmers engaged in such enterprises side by side with the nobility.

The growth of capitalist relations was based on the development of trade, i.e., exchange of commodities between town and country. That fostered the process of merging of the local markets into a single national market, which was associated with the specialisation of various areas.

Development of Capitalism in France

In France manufacture began to develop in the 16th century and reached a high level towards the last third of the 18th century. Silk-manufacturing prospered in Lyons and other cities of the south of France, cloth-manufacturing flourished in Reims and tapestry-manufacturing thrived in the vicinity of Paris. The largest printing-houses in Paris and Lyons were capitalist enterprises. In the beginning of the 1780s the Creusot Iron and Steel Mills produced the first metal. Here and there steam engines began to be used. They were first used in the Anzin coal mines in the north of France, in Orleans and in other places. However, the French manufacturing industry remained mainly a small-scale scattered industry with most enterprises employing small numbers of workers. Since guilds prevailed in most branches of production the result was that not only the scattered, but also the centralised manufactories were set up in rural areas, which increased the difficulties of organisation of production connected with delivery of raw materials, transportation of ready-made articles, hiring of workers, etc.

Capitalist relations also developed in agriculture. There appeared a stratum of peasants who rented land from feudal landowners and leased it to the poorest peasants or tilled it with the aid of landless peasants who were transformed into farm hands. The big leaseholders included many urban bourgeois. The increasing capitalist exploitation combined with numerous feudal labour obligations led to greater poverty and ruination of the peasantry. The peasants formed the bulk of the population and the decrease in their effective demand circumscribed the internal market, which impeded the development of capitalism.

Formations of the Bourgeois and the Proletarian Classes

The bourgeoisie coming into existence in England formed from the different classes and estates of feudal society. The trading bourgeoisie stemmed from the medieval merchants, while the handicraftsmen, who had grown rich, formed the basis of the industrial bourgeoisie.

Some of the landowners changed from feudal forms of economy to exploitation of hired labour, i.e., to capitalist economy. This determined the appearance of two different social strata in the newly-forming class of capitalists, namely, bourgeoisified landowners and urban bourgeoisie. The peasants driven away from all lands formed the bulk of manufactory wage-workers. The feudal English state considered it profitable to support the development of manufactories. Of course, it "helped" the capitalist proprietors by feudal methods. The so-called "labour laws", which the feudal dynasties of the Tudors and Stuarts began to introduce in the 16th century, were therefore a kind of extraeconomic compulsion of the working people. It is no mere accident that these laws, which resulted in persecution, terrorisation and execution of scores of thousands of working people deprived of the means of subsistence, have gone down in history as "bloody" laws. The proletariat was forming under conditions of a close union of the feudal state and the newly-forming bourgeoisie.

In France the newly-forming classes of the bourgeoisie and the proletariat belonged to the unprivileged, "third" estate. Towards the end of the 18th century the French bourgeoisie numbered about 250,000. It consisted of the owners of manufactories, merchants, bankers and other dealers in finance. The proletariat formed from handicraftsmen and shop apprentices. On the eve of the revolution there were about 600,000 manufactory workers. But, whereas the French bourgeoisie was a more or less organised force, the French working class was amorphous and weak, unconscious of its class interests, a class "in itself".

Contradictions Between the Capitalist Economy and the Feudal Political System

Both the English and French feudal classes did not intend to surrender their positions to the bourgeoisie. Despite the fact that the development of the manufactories was profitable, the feudal state supported the medieval guilds. The guilds did their utmost to hinder all technical innovation and fought the rising manufactories. That did not safeguard the guilds against penetration of capitalist relations and their subsequent transformation into capitalist enterprises.

Nevertheless the guild system, the guild regulations and guild privileges (in England the guilds were often of a mixed handicraft and trading character) hampered the capitalist development of England and France. Internal customs barriers, innumerable local taxes, arbitrary rule of the authorities and feudal lords, discrepancies in measures and weights, and the existence of local legal regulations all hindered the development of trade, the formation of a single national market and the establishment of capitalist relations. Only the abolition of the feudal political system and the conquest of power by the bourgeoisie could offer wide opportunities for development of the capitalist mode of production.

Ideological Preparation of the Revolution

The bourgeois revolution would have been impossible without an ideological preparation, without a "revolution in the minds". The French bourgeois revolution was particularly noted for this. Long before its beginning the progressive representatives of the third estate, the so-called enlighteners, severely criticised the prevailing feudal order and proved the necessity of its abolition. They offered their ideas of the society that was to replace the old one. The enlighteners of the older group—Voltaire, Montesquieu and others—were the ideologists of the big bourgeoisie. Voltaire (François Marie Arouet, 1694-1778) mercilessly unmasked royal absolutism, the class privileges of the nobility, and the Catholic Church which he called the "monster of superstition and hydra of fanaticism". He proclaimed ideas of human freedom and equality, implying only the equality between the bourgeoisie and the nobility.

Charles Louis Montesquieu (1689-1755) angrily criticised the feudal order in his witty, satirical *Lettres persanes*. In his book *De l'esprit des lois* he expressed his view of the system that should replace feudal absolutism. He considered a constitutional monarchy the best system of society. Like Voltaire, Montesquieu proclaimed ideas of freedom and equality and sharply opposed Negro slavery.

The second group consisted of enlighteners of the younger generation—Rousseau and the Encyclopedists—who expressed the views of the middle and petty bourgeoisie. The Encyclo-

pedists were named after the *Encyclopedia or Comprehensive Dictionary of Sciences, Arts and Crafts*, compiled by them in 30 volumes. The *Encyclopedia* was based on mechanistic materialism, whereas in explaining social phenomena its authors remained idealists.

Jean Jacques Rousseau (1712-1778) dreamt of a society without oppression and of a state of general prosperity which would be the result of a "social contract" of free people. He wrote about the right of the people to overthrow despotism, the right to revolution. Rousseau was a petty-bourgeois revolutionary. He advocated equal distribution of private property, but not its complete abolition, which he considered impossible.

Rousseau's views closely resembled those of the Encyclopedists—Diderot, Helvétius, D'Alembert and others.

Emphasising the role of the enlighteners in the ideological education of the leaders of the Great French Revolution, Hugo wrote: "1789 would have been unthinkable without its forerunner—the *Encyclopedia*. Voltaire prepared the appearance of Mirabeau. Take away Diderot and there will be no Danton. If the sprout whose name is Rousseau were prevented from developing in the beginning of the 18th century, the other sprout whose name is Robespierre could not have developed at the end of the century as the result."

And, lastly, the third group of enlighteners, the ideologists of the poor peasantry, the urban poor and pre-proletariat, developed the ideas of utopian communism. In his book *Testament* Jean Meslier (1664-1729) wrote about the necessity of overthrowing by means of revolution the system based on oppression and private property. He considered religion a vile fable designed to keep the people in subjection. He also wrote about the necessity of creating a society without exploitation, where private land would be replaced by common working-people ownership. Those were essentially ideas of utopian communism. Similar ideas were also developed by Morelly (the time of his life is uncertain) in his work *The Code of Nature*, and Abbe Mably (1709-1785).

The activities of the enlighteners had played an important part in preparing the revolution. They undermined the prestige of royal power, the feudal system and the church among the broad masses.

Revolutionary Situation

A revolutionary outbreak is preceded by a so-called revolutionary situation. A revolutionary situation is an aggregate of objective factors which, combined with the subjective factor, leads to revolution. The objective factors include an uncommon aggravation of the indigence and destitution of the oppressed masses which begin to advance their own demands, and a crisis of the policies of the ruling classes which can no longer continue to rule as they did theretofore. The subjective factor, which adds to the revolutionary situation, is the ability of the revolutionary class to undertake strong enough mass revolutionary action to subdue the reactionary ruling class.

The concrete aspects of a revolutionary situation, as also of a bourgeois revolution as a whole, can very well be discerned in the French Revolution of 1789.

During the second half of the 18th century the French absolute monarchy was in a state of complete degradation. The royal court was the centre of depravity and extravagance. The big feudal lords strove to imitate king.

At the same time the country was the scene of incessant peasant uprisings; in some cases the workers also joined in the struggle (for example, the uprising of the Lyons weavers in 1786).

The more far-sighted representatives of the ruling feudal class and of the part of the bourgeoisie which was in the service of absolutism realised that it was necessary to alter the existing order, but thought they could achieve their end through reforms, i.e., by means of partial concessions aimed at retaining their rule and the whole of the feudal social system. Precisely such reforms were carried out by Anne Robert Jacques Turgot who became controller general and minister of finance. These reforms were supposed to clear the way for capitalist changes, but Turgot was removed and his reforms were annulled. That showed once more that capitalist development is incompatible with the feudal political system.

By the end of the 1780s the economic situation in the country changed very much for the worse and caused a new

outbreak of popular discontent. A revolutionary situation formed. The third estate demanded mainly a convocation of the *Etats Généraux* to solve the urgent problems of the country's development. King Louis XVI had to acquiesce. The third estate (mainly the bourgeoisie and other well-to-do strata) were able to elect to the *Etats Généraux* as many deputies as the first two estates together.

DEVELOPMENT OF THE REVOLUTION

Revolutionary Outbreak

The *Etats Généraux* met on May 5, 1789. Serious differences arose between the representatives of the estates the very next day. The deputies of the first two estates refused to sit together with the delegates of the third estate. That impelled the latter to a bold revolutionary act. On June 17 they decided to proclaim themselves the National Convention. Despite the king's threats the National Convention soon proclaimed itself the Constituent Assembly thereby emphasising that it considered elaboration of a constitution its main task.

The king decided to put an end to the opposition and to restore his prerogatives. He began to concentrate troops. The working people of Paris took up arms. The royal cavalry composed of foreigners opened fire on the people. That exhausted the people's patience, and a real uprising began on July 13. On July 14 the insurgents and primarily the poor workers stormed the Bastille. The fall of the Bastille was the beginning of the Great French Bourgeois Revolution.

The Constituent Assembly assumed power. A body of municipal self-government named the Commune was formed at the same time.

In their development bourgeois revolutions go through several stages depending on the participation of and role played in them by the different social strata. Such stages may also be observed in the development of the French Revolution.

First Period of the Revolution. Power Assumed by the Big Bourgeoisie (July 14, 1789-August 10, 1792)

The fall of the Bastille served as the signal for the uprising of the peasants who demanded the abolition of their feudal obligations. The municipalities and national guards of many cities in which the leading role was played by the big bourgeoisie-landowners-helped the feudal lords. Troops were summoned to fight the insurgents. The big bourgeoisie and the nobility thus formed a peculiar union against the working people of town and country. The Constituent Assembly did not sympathise with the insurgents, but, fearing further development of the Revolution, passed a law on August 11 abolishing the feudal obligations. Only the personal obligations of the peasants were abolished without redemption. The rest of the obligations had to be redeemed. The payments to the clergy were annulled only in principle and had to be made until new rules were elaborated. Of a similarly conditional nature was the abolition of the seigniorial jurisdiction, i.e., the legal power of the seignior over his serfs. As the result of the Law of August 11 the representatives of the bourgeoisie secured a number of advantageous articles. The privileges of various cities and provinces were abolished, the first two estates were also made subject to taxation, etc.

In an attempt to legalise the equality between the bourgeois and feudal estates the Constituent Assembly adopted, on August 26, 1789, the Declaration of the Rights of Man and Citizen which served as the preamble to the future constitution. The Declaration was aimed against the foundations of feudal society and that was its progressive significance. The Declaration proclaimed the equality of people, asserted freedom, property security and resistance to oppression to be the "natural and inalienable rights of man", announced the principle of national sovereignty and declared "property to be an inviolable and sacred right". The last thesis manifested the bourgeois class character of the Declaration. It recognised as real people only the bourgeoisie who owned property and replaced feudal inequality by bourgeois inequality.

Revolutionary clubs came into existence in Paris and other cities in 1789-90. During the Great French Revolution

these clubs played the role of political parties. One of the influential clubs was the Jacobin Club in Paris, named after St. Jacob's Dominican Convent which housed it. Subsequently the Jacobin Club had several hundred branches in the provinces. The leading role in this club was at first played by advocates of a constitutional monarchy (Mirabeau, Barnave, La Fayette and others), then the bourgeois democratic trend headed by Maximilien Robespierre, follower of Rousseau, prevailed. His opponents left the club and formed their own Club of the Feuillants.

A Club of Cordeliers (named after the former Franciscan Convent of the Cordeliers) made its appearance in Paris in the beginning of 1790. The leaders of the club were Georges Jacques Danton, Camille Desmoulins, Jacques Hébert, Pierre Gaspard Chaumette and Jean Paul Marat (1743-1793). Marat was one of the outstanding revolutionaries of more democratic and radical views. The working people called him the "Friend of the People".

Consolidation of the Power of the Big Bourgeoisie and Liberal Nobility

The law on abolishing feudal obligations was subject to approval by the king. The king was not only in no hurry to sanction it but, on the contrary, bided his time to abolish the revolutionary conquests. That led to revolutionary actions by the Paris working people. The king had to sign the law and move to Paris. The Constituent Assembly also moved to Paris. These events marked the establishment of a bourgeois monarchy in which the decisive role was played by the bourgeoisie and the liberal nobility.

Decrees favouring development of capitalist relations were issued. The guilds were abolished, the church property was confiscated, the church was subordinated to the state, and the internal customs barriers were removed. The Constituent Assembly issued several decrees aimed against the working people because the big bourgeoisie feared further development of the revolution.

The sum redeeming feudal obligations was fixed in May 1790; it was equated with payments for a period of 20 years (without instalments or credit). That caused a new wave of

peasant movements. Le Chapelier's anti-labour law prohibiting trade unions, strikes, etc., was passed in June 1791.

The Constituent Assembly also refused to abolish slavery in the French colonies.

The constitutional monarchy was confirmed in the constitution adopted on September 3, 1791 already after the king's unsuccessful flight from Paris (June 1791) and the shooting down of the peaceful demonstration of Paris working people who demanded dethronement of the king and proclamation of a republic.

According to the constitution, the legislative power was in the hands of the Legislative Assembly. Political electoral rights were granted only to "active" citizens, i.e., the most well-to-do people. There were only 4.3 million such people in France. The majority in the newly-elected Legislative Assembly were Feuillants who were also the leaders in the Constituent Assembly. They were representatives of the higher strata of the bourgeoisie closely associated with the royal court (bankers, tax-farmers, etc.). Jacobins constituted a numerous group, but truly revolutionary bourgeois democrats were in the minority. Most of them were representatives of the big and middle trading and industrial bourgeoisie, the so-called Girondists (deputies from the department of Gironde). The sitting of the Feuillants and Jacobins respectively on the right and left sides of the assembly hall initiated the division of the political parties into "Rights" and "Lefts".

One of the questions over which the Feuillants, Girondists and Jacobins waged a bitter struggle was the question of the impending war. From 1791 the European monarchies began openly to prepare for intervention aimed at strangling the French Revolution. The wars of revolutionary France against reactionary monarchical Europe began in 1792. France was fighting just wars to defend the conquests of the Revolution. The wars were just until the end of the Revolution, i.e., until 1794.

The open support of the coalition of feudal powers by the king led to another action by the popular masses. An insurrectional committee headed by Marat, Danton and Robespierre was set up under the Commune of Paris. The Commune, whose composition was renewed in a revolutionary way, became, along with the Legislative Assembly, a

government body now composed of workers, handicraftsmen and petty bourgeois.

A true uprising of the revolutionary people broke out on August 10, 1792. The royal palace was taken by force. The Legislative Assembly was compelled to issue a decree on the king's abdication.

Second Period of the Revolution, Power in the Hands of the Trading and Industrial Bourgeoisie (August 10, 1792-June 2, 1793)

The overthrow of the monarchy ushered in a new stage of the Revolution. The Provisional Executive Council, set up by the Legislative Assembly, began to play the leading role. The Provisional Executive Council was headed by Girondists. Elections to the National Convention, ordered by the Legislative Assembly under the pressure of the popular masses, were held in September 1792. The Convention issued a decree on abolishing royal power (September 21) and, on the following day, proclaimed France a Republic. A new system of chronology was introduced and September 22 was declared the "first day of the first year of freedom".

The extreme right wing of the Convention was occupied by the Girondists and the left wing was occupied by the most revolutionary part of the Jacobins, the so-called Montagnards (from the French word *montagne* meaning "mountain") who were seated at the top of the assembly hall—"on the mountain". But the majority belonged to the "swamp", i.e., the wavering deputies elected in the provinces. The Montagnards were not the most radical party of the French Revolution. The most radical was the group headed by Jacques Roux, Pierre Delivier, Theophile Leclerc and Jacques Varlet. Their centre was the capital Commune and the Club of the Cordeliers. For their demands of decisive measures against profiteering they were dubbed the "Enragés" ("Enraged"). The "Enragés" became the ideologists of the poorest sections of the Paris population.

The demands of the "Enragés" were objectively aimed at abolishing the bourgeois system. Freedom is a mere phantom when one class can starve another class with impunity, they said. They called for abolition of large landholdings and for giving the peasants as much land as they were able to till

themselves. They demanded the organisation of a community, each member of which must receive only as much as he contributes to the community.

A bitter struggle was waged between the Girondists and the Montagnards. The Girondists, who openly defended the big merchants and profiteers and opposed the establishment of maximum prices on consumers' goods, moved increasingly closer to counter-revolution. That led to a new action by the popular masses (May 31-June 2, 1793), headed by Montagnards and the "Enragés", and to the fall of the Girondists. Most of the Girondist leaders were arrested.

Third Period of the Revolution. Revolutionary-Democratic Dictatorship (June 2, 1793-July 27, 1794)

The resolute actions of the popular masses continuously advanced the revolution. The liquidation of the Girondist leadership led to the establishment of Jacobin-Montagnard power, i.e., Jacobin dictatorship which marked the entrance of the French Revolution into its highest stage.

In the summer of 1793 the country was experiencing enormous difficulties. The offensives of the armies of Austria, Prussia and England coincided with the actions of the counter-revolution. A counter revolutionary uprising spread over ten north-western departments and white terror raged in many cities. One of the manifestations of this terror was the foul assassination of Marat. Only a revolutionary dictatorship could have saved the country. The Committee of Public Safety, which carried out governmental functions, the Committee of Public Security and the Revolutionary Tribunal became the most important bodies of this dictatorship. The elective municipalities were replaced by revolutionary committees. The so-called commissars, deputies of the Convention sent to different parts of the country, were given unlimited powers. The establishment of a revolutionary-democratic dictatorship, a dictatorship of the progressive part of the bourgeoisie supported by the popular masses, made it possible to carry out a number of radical democratic reforms in the country.

The adoption of the new constitution (June 24, 1793) was one of the first important measures taken by the Jacobins.

This constitution was the most democratic constitution ever adopted in any capitalist country. Nevertheless, it contained all the limitations and contradictions of bourgeois constitutions. On the one hand, the new Declaration of the Rights of Man and Citizen, which became the preamble to the constitution, declared the common good to be the aim of society and proclaimed freedom of thought, the press, assembly, worship and petition, and the right to work and to education. It proclaimed the sacred right of the people to organise uprisings. Suffrage was granted to all men past 21 years of age. Essentially, however, most articles of the constitution were proclaimed only formally since they could not be carried into effect under a bourgeois system. This was obvious from the very constitution. Its special articles emphasised the inviolability of private property which was declared the natural right of every citizen. Thus the assertion of the equality of all citizens by the constitution did not mean anything.

The Jacobins who became the leading force of the Convention dealt in a truly revolutionary manner with obsolete feudalism by settling the agrarian question radically. The most important part of the Jacobins' agrarian legislation was the decree of July 17, 1793, which finally abolished all feudal obligations and payments without any redemption. All feudal documents were publicly burned. The agrarian measures carried out by the Jacobins resulted in the transition of the entire country to free peasant landownership.

To satisfy the demands of the "Enragés", who expressed the interests of the popular masses, the Jacobins established (September 29) maximum prices on consumers' goods which could no longer be sold at higher prices.

During that period the revolutionary French people for the first time displayed unprecedented revolutionary energy and exerted tremendous revolutionary efforts in domestic policy and on the battlefields, creating a new strategy and a new revolutionary people's army.

The revolutionary Jacobins, as the leading force of the Convention, and the very name of their leader Robespierre, became odious not only to the royalists, but also to the main part of the bourgeoisie which was extremely dissatisfied with the democratic constitution of 1793, the introduction of the maximum prices and the other revolutionary measures carried

out by the Jacobin Convention. The reactionary bourgeois circles did their best to prevent these measures from being carried out. The Jacobin leaders responded by revolutionary terror. One penalty—death—was established for all crimes against the Republic. Revolutionary terror was the most radical way of dealing with absolutism and feudalism.

The Robespierrists had to struggle against their recent allies—Danton and his adherents—who had gone over to counter-revolutionary positions. The Dantonists opposed the maximum prices and other revolutionary measures, and advocated freedom of trade and profiteering and utmost consolidation of property rights. They were arrested, condemned by the Revolutionary Tribunal and executed as enemies of the Revolution.

Revolution and the Church

Unlike the English bourgeois revolution which proceeded under a religious banner, the revolution of 1789-93 in France developed in purely classical forms. That did not mean, however, that the church took no interest in the class battles. On the contrary, the Catholic Church resolutely sided with the reactionary feudal forces and inspired many counter-revolutionary actions, for example, the Vendée revolt. The popular masses and the revolutionary-democratic part of the bourgeoisie therefore resolutely embarked on the path of anti Catholic and anti-clerical struggle. This struggle assumed the form of direct suppression of the counter-revolutionary actions of the clergy and of fighting Catholicism as an ideology. However, the attempt to introduce a new religion, the so-called "worship of the Goddess of Reason", shows that the bourgeoisie could not relinquish religion and the church in general, but merely strove to adapt them to its own class interests.

Contradictory Character of the Robespierrists' Position. Fall of the Revolutionary Dictatorship

As the problems of the bourgeois revolution were being solved the views of the revolutionary Jacobins became increasingly more contradictory. In order to advance the

revolution, the Jacobins had to change from bourgeois revolutionaries to proletarian revolutionaries. But at that time there were no socio-economic conditions for a proletarian revolution. The Jacobin Convention did not have the support of the broad masses, primarily of the workers and poorest peasants, required for a proletarian revolution. In France capitalism had not yet matured, the country was just embarking on the path of the industrial revolution. Besides, the Jacobins played up to the big bourgeoisie; they did not proclaim property equality, aroused the discontent of the masses of peasants by their requisitions, supported anti-labour legislation and began to destroy their political opponents on the left.

The Jacobin government carried out a number of measures encouraging the activities of merchants and manufacturers; it granted them subsidies, encouraged free trade and mitigated the penalty for violation of the law of maximum prices. That aroused the workers' discontent. Strikes began, but the Jacobins suppressed them. They not only failed to abrogate Le Chapelier's reactionary law, but, on the contrary, made it even worse by reducing the workers' wages through extending the effect of the maximum to them. That caused resentment among the "Enragés", the most democratic group of the French Revolution. The Jacobins responded by showering repressions on them. The Jacobins and Robespierrists also smashed another democratic group which was similar to the "Enragés" and was headed by Hébert and Chaumette, whose adherents (Hébertists) called for further development of the revolution, advocated ruthless terror against the enemies of the revolution and dreamt of establishing a republican system all over the world.

The revolutionary terror of the Robespierrists increasingly developed into a struggle against the representatives of the people. That naturally deprived them of the support of the popular masses and facilitated the counter-revolutionary coup and the physical annihilation of Robespierre and his group on the 9th Thermidor (July 27, 1794). The coup put an end to the Jacobin dictatorship and the Great French Bourgeois Revolution.

Driving Forces and the Hegemon of the Revolution. Results of the Revolution

The revolution developed along an ascending line. Its driving forces were the popular masses, i.e., the feudally dependent peasants, primarily their poorest section, and the lower urban strata. But because of the lack of organisation and consciousness the masses could not become leaders of the revolution. The bourgeoisie, which was the progressive class of the time, played the principal part in the revolution. The bourgeoisie was able to lead the masses and use them in its own interests. That was precisely why, in the course of the revolution, the policy of the bourgeoisie often aroused the profound discontent of the popular masses who wanted to extend and deepen the anti-feudal struggle.

The Great French Revolution abolished feudalism and cleared the way for the development of new production relations. It demolished the old social structure of society and destroyed its political organisation. After the English bourgeois revolution of 1649 the French revolution ushered in a new period in the development of human society, the period of establishment and development of capitalism. That meant that it did not abolish exploitation of working people in general, but merely altered the form of this exploitation.

The revolution created conditions for the development of an industrial proletariat destined to become the grave-digger of capitalism.

Types of Bourgeois Revolutions

The French Revolution belonged to the type of bourgeois revolutions in which the popular masses, the lowest social strata, crushed by oppression and exploitation, independently rose to the struggle and greatly influenced the course of the revolution. Such revolutions may be called bourgeois-democratic revolutions. Unlike them, in the bourgeois revolutions which are carried out by the upper strata and are not popular (for example, in the revolution of the Young Turks) the working people do not make their own economic or political demands.

It is necessary to distinguish the bourgeois-democratic revolutions of the pre-imperialist epoch, in which the leading

role was played by the bourgeoisie, from the bourgeois-democratic revolutions of the imperialist epoch. In the latter case an important part is played by the industrial proletariat which has its own revolutionary political party and its harmonious scientific world outlook that radically alter the correlation of the class forces. In the bourgeois democratic revolutions of the imperialist epoch the leading role is played by the proletariat which, in alliance with the peasantry, sets itself the task of establishing a revolutionary-democratic dictatorship of the proletariat and peasantry.

Chapter 3

ESTABLISHMENT AND DEVELOPMENT OF CAPITALISM

INDUSTRIAL REVOLUTION

Essence of the Industrial Revolution

The bourgeois revolutions on the European continent led to the downfall of feudalism in a number of countries. The feudal fetters were torn off the capitalist production relations and the way for their rapid development was cleared. In the countries where the first bourgeois revolutions occurred, and under their influence in other countries, as the capitalist relations matured, capitalist industry rapidly developed. This development did not consist in a mere increase in the number of enterprises employing wage-workers or in a mere increase in the volume of production. The character of this development and its results were of much greater significance to society. The bourgeois revolutions destroyed the obstacles to the development of the productive forces, and considerably accelerated the growth of these forces and brought about a revolution in technology, i.e., the invention of the machine. The development of capitalist industry, consequently, meant the replacement of manual labour, which predominated in the capitalist manufactories, by machine labour. The change from the manufactory stage of capitalism with its manual technology to the machine industry is called the industrial revolution. In this case the term "revolution" is used because the replacement of manual labour with machine labour considerably influenced the development of the socio-economic relations of the time, which in a certain measure determined the fate of capitalism.

Industrial Revolution in England

The industrial revolution began first of all in England (in the middle of the 18th century) where it developed in its clearest form. In the 19th century the industrial revolution spread to other capitalist countries.

It was not a mere accident that the industrial revolution began precisely in England. Prerequisites for a rapid development of industry were being created there over a period of several centuries. The early abolition of serfdom and dispossession of the peasants of their land led to the appearance of a mass of free labour hands and development of capitalist methods of agriculture. Both stimulated the growth of the internal market. The colonial seizures gave England guaranteed foreign markets and served as the source of creation of enormous wealth. Lastly, the bourgeois revolution of the 17th century eliminated many survivals of feudalism.

The industrial revolution began in the branch of industry where the guild restrictions were felt the least, i.e., in the cotton industry. Feudal England, as feudal Europe in general, did not have this branch of industry for it lacked raw material. England received cotton only as the result of seizing colonies, particularly India. Cotton fabrics soon began successfully to compete with woollen and linen fabrics. They had a greater mass of consumers and, consequently, a more stable market. This stimulated the development of the cotton industry to such an extent that the manufactories could no longer satisfy the continuously growing demand. Any innovations fostering an increase in production of cotton fabrics brought enormous profits.

The invention of machinery began in the spinning industry. A mechanical spinning wheel—spinning jenny—was invented in 1765, the water frame was invented in 1767, and the mule was invented in 1779. The appearance of these machines radically altered the technology of cotton-spinning. Spinning factories employing hundreds of workers came into existence in the 1770s. By 1780 England had 20 such factories and 10 years later 150 of them. The development of machine technology in cotton-spinning resulted in a lag in weaving. Attempts to invent weaving machines were made and after long efforts succeeded.

The first machines were driven by water wheels, which made them usable only near rivers. The need for a general purpose engine that could be used anywhere made itself felt increasingly more insistently. In the 1780s the cotton industry began to use Watt's steam engine. That made it possible considerably to increase the volume of factory production, ensured the spread of factories over the country and the growth of industrial centres.

The increase in the production of machines stimulated a greater need for metal, but the lack of charcoal limited the development of metallurgy. The production of metal began to grow rapidly only after Henry Cort invented the puddling furnace in 1784. Between 1785 and 1797 the production of iron in England was thus doubled. The use of coke instead of charcoal in the smelting of pig iron fostered an increase in coal mining; in 100 years it increased fourfold and by the end of the century amounted to 10 million tons.

The introduction of machinery, which began in cotton-spinning, subsequently spread to other branches of industry and led to the development of a number of associated branches, particularly the heavy industry. The development of heavy industry was consummated by the creation of the engineering industry. At first machines were produced in manufactories manually. They were very expensive and their production lagged behind the growing demand of industry. Only when mechanical engineering came into existence as a separate branch of industry was it possible to make the machines cheaper and hasten their production. The production of machinery increased at so fast a rate that already in 1824 Parliament allowed machines to be exported from England.

The first railway was built in England in 1825 and railway communication between Manchester and Liverpool was opened in 1830, but by the middle of the 19th century England already had 10,000 kilometres of railways.

The machine industry finally supplanted manual production in England in the 1840s. Those were the years of consummation of the industrial revolution. England became the leading industrial country, the "workshop of the world". In 1839 England mined four times as much coal as did France, Belgium and Prussia taken together. From 1826 to 1846 the export of iron and cast iron from England increased 7.5-fold.

Peculiarities of the Industrial Revolution in Other Countries

In France the impetus to the industrial revolution was given by the Great French Bourgeois Revolution. Beginning at the end of the 18th century, the industrial revolution developed all through the first half of the 19th century. It began, as in England, in the new branch of industry—cotton-spinning. In 1805 Jacquard invented an apparatus for the Jacquard loom; in 1812 France already had more than 200 mechanical spinning factories. French mechanical engineering came into existence in the 1820s, and railway construction began in the 1830s.

The industrial revolution in France was characterised by an uneven development and distribution of industry. Only the cotton and metallurgical industries had large enterprises. These industries developed in outlying districts, mainly in the north and the east. In Paris the industry consisted, even in the middle of the 19th century, chiefly in manufacture of clothes and articles of luxury, the small and middle-sized enterprises usually employing from two to ten workers. The silk-weaving industry, concentrated in the vicinity of Lyons, consisted for the most part of scattered manufactories, often in villages where the peasants worked at home.

As a whole, the French industrial revolution, which began later than the English industrial revolution, proceeded at a slower rate. That was due to the supremacy of England in the world market of manufactured articles. Moreover, the abundance of small peasant economies hampered the development of large-scale industry for lack of labour hands.

In Germany the development of the industrial revolution was impeded by stronger (than in England and France) survivals of feudalism, political disunion and the existence of customs barriers. The industrial revolution began in the main in the 1840s, although at that time there were already two industrial areas in the country—the Rhine-Westphalian area with coal and metallurgical industries, and the Saxon-Silesian area with a textile industry. The development of industry in the Rhine and Westphalian provinces was fostered by the abolition of the feudal system and by the presence of rich natural resources (coal and iron ore). In

Saxony and Silesia the textile industry consisted mainly of manufactories. In the 1840s manufactory production characterised Germany as a whole. The industrial revolution developed on a large scale only in the 1850s-60s. After its political defeat in the 1848-49 Revolution the German bourgeoisie now strove to seize the key positions in the country's economy.

Since the industrial revolution began in Germany later than in England and France, the German industry, which made use of the latest achievements of science and engineering, proved to be larger and better equipped than the industry in the countries of "old capitalism".

In the U.S.A. the industrial revolution began at the very end of the 18th century after the Revolutionary War and was characterised by a number of features resulting from the specific development of this country. To begin with, the industrial revolution did not occur throughout the country, but only in the north-eastern states, i.e., its most settled part. A plantation economy and slave-owning system prevailed in the south and the south-east, while new lands were still being settled in the west. On the whole the industrial revolution developed more slowly in the U.S.A. than in England, which was partly due to English competition.

In 1800 the U.S.A. had 20,000 spindles, in 1810 they had 87,000 and in 1815 the number of spindles increased to 130,000. The first mechanical loom appeared in the country in 1814. In the 1830s the U.S.A. had fewer spindles and consumed less cotton than only England and France. In the other branches of industry machines and new methods of production were introduced slowly. Coal began to be used in metallurgy only in the 1830s, the steam started playing a dominant role in industry only in the 1850s, and mechanical engineering began to develop only at the end of the 1840s.

The development of mechanical engineering, the basis of the industrial revolution, was long hampered in the U.S.A. by English competition (for example, an English cotton-gin was 50 times cheaper in the U.S.A. than the same machine produced locally). But, on the other hand, the shortage of labour power continuously stimulated the manufacture of new machinery.

Social Consequences of the Industrial Revolution

Machinery turned out to be the material and technical basis of the industrial revolution. But the industrial revolution was not confined only to technical changes in industry, however important these changes may have been, since they increased labour productivity and reduced the costs of production. The industrial revolution brought about considerable changes in social relations. The direct result of the transition to machine production was the appearance of a mass of industrial workers, rapid formation of the proletariat as a class, and disappearance of (in England) or decrease in (in other countries) the peasantry.

The development of the capitalist mode of production was accompanied by intensified exploitation of the working people. Workers were transformed into appendages of machines. The simplification of the production processes and the use of machinery reduced the importance of skilled labour, and industry made extensive use of the cheap labour of women and children. This caused a reduction in wages and an increase in unemployment. In the beginning of the 19th century only 27 per cent of the factory workers were men past 18 years of age.

The appearance of the industrial proletariat is the most important social consequence of the industrial revolution. The joint work at large enterprises conduced to the organisation and rallying of the workers and the development of class solidarity, while the social conditions of the proletariat's life made it the most revolutionary class. By creating a large-scale industry the bourgeoisie created a revolutionary force destined to smash bourgeois society itself.

The industrial revolution altered the correlation of forces within the bourgeois class. The industrial bourgeoisie superseded the trading bourgeoisie.

Capitalist Industrialisation

The essence of the industrial revolution was the creation of a large-scale industry, i.e. industrialisation, which was aimed at building a technical basis appropriate to the production relations of capitalism. However, capitalist industrialisation, as part of capitalist production, was governed

by the principal economic law of capitalism—production of surplus value. That is why in the capitalist countries the industrial revolution began in the light industry where, in virtue of the rapid capital turnover, it was possible to make profit more quickly; only as capital accumulated was it directed into the heavy industry.

The capitalist countries were industrialised primarily through the plunder of their colonies. This applies particularly to England and France. Foreign loans are another means of building the industry. Lastly, industrialisation was carried out in a number of cases partly at the expense of the vanquished country. For example, Germany used the indemnities received from France after the Franco-Prussian War to build its large-scale industry.

But in all cases, a large-scale industry in capitalist countries is also built through ruination and plunder of the country's own people, i.e., increase in taxes, dispossession of peasants, intensified exploitation of workers, etc.

TWO WAYS OF DEVELOPMENT OF CAPITALISM IN AGRICULTURE

After the bourgeois revolution capitalism irrepressibly developed in industry, smashing all feudal obstacles on its way and increasing the productive forces.

Capitalism also developed in agriculture, but here it depended on the survivals of feudal relations to a greater extent than in industry. The history of developed capitalist countries shows that there are two ways of development of capitalism in agriculture. In one case capitalism develops on the basis of peasant economies which are gradually transformed into capitalist farms; in the other case the landed estates retain their force and influence in the countryside and gradually change from feudal forms to capitalist forms of exploitation.

Farmer's Way of Capitalist Development

The first way of development is connected with a revolution in agrarian relations, with the passage of all land or of the greater part of it into the hands of the peasants. In this case capitalism and the productive forces in agriculture

develop faster. This way of development of capitalism in agriculture was characteristic, for example, of the U.S.A. and France despite the variety of its concrete historical manifestations in these countries. The Great French Revolution abolished large landholdings in France and turned the land over to the peasants. The capitalist development of agriculture subsequently proceeded along the line of differentiation of the peasantry, i.e., bringing forward rich peasants and making them large-scale capitalist farmers, on the one hand, and breaking up the landholdings of the poor peasants, on the other.

The development of capitalism in the agriculture of the U.S.A. had its own peculiarities. In the south of the country there was a plantation system and slavery, while in other areas agriculture developed along the capitalist way based on farmers' landholdings using hired labour and a lot of agricultural machinery. The newly-colonised north-western areas of the U.S.A. knew neither any elements of feudalism nor slavery, which was prohibited there as early as 1787. The abundance of free land and shortage of labour power were from the very outset conducive to development of farmers' economies which became the prevailing form of economy in these areas.

The development of agriculture in the U.S.A. along the farmers' way was consolidated as the result of the Civil War of 1861-65. In 1862 Lincoln's government managed to put through the Homestead Act which the farmers and all working people had long been striving for. According to this Act every person had the right to receive from the government stock of land 160 acres (about 64 hectares) almost free of charge. As the result, the number of farmers' homesteads sharply increased. The liberation of the Negro slaves, also proclaimed by Lincoln in 1862, undermined the foundations of the plantation economy and reduced the influence of the planters in the economic and political life of the United States of America.

Landowners' Way of Development of Capitalism

The second way of development of capitalism in agriculture is slower and harder for the peasants. In this case the landowners remain the dominant force in the countryside

and, as a rule, in the whole of the country. The greater part of the land is owned by landowners, while the peasants are transformed from serfs into farm hands or tenants. Only a negligible number of rich peasants embark on the path of capitalist exploitation and use hired labour. This way of capitalist development in agriculture is connected with the existence of reactionary political systems, domination of the landowners' class. The most typical of this way of capitalist development in agriculture were Germany, especially Prussia, and tsarist Russia.

Neither in Germany nor in Russia (until 1917) was the agrarian problem solved in a revolutionary way. That is why the development of bourgeois relations in the agriculture of these countries was the result not of a revolutionary overthrow of feudalism, but of a slow and tormenting for the peasantry development of serf forms of exploitation into capitalist forms. In Prussia serfdom was abolished in 1806, but the feudal obligations actually existed until the middle of the 19th century. A law on redeeming the feudal obligations was passed only in 1850, and the peasants paid the landowners 1,000 million marks. These enormous sums received by the landowners from the peasants accelerated the transformation of the landowners' estates into capitalist farms and at the same time ruined many peasants. A similar picture was observed in Russia after the "emancipation" of the peasants in 1861.

The landowners' way of development of capitalism in agriculture means persistence of the survivals of feudalism in the economy and the political system of the state. Elimination of these survivals becomes one of the objectives of the revolutionary movement.

Chapter 4

DEVELOPMENT OF CAPITALISM IN THE U.S.A.

AR OF THE AMERICAN COLONIES FOR INDEPENDENCE

Economic Development of North America During the Colonial Period

In the U.S.A. capitalism arose and consolidated under a colonial system and the genesis of capitalism is marked by a stamp of colonialism. In the U.S.A. capitalism developed in a more cynical form than in other countries.

In the 16th century the territory of the present-day U.S.A. was inhabited by Indians who numbered almost 2,000,000. The largest groups of tribes were the Iroquois and the Algonquins numbering about 200,000 people. The Indians lived in different stages of a primitive-communal system.

North America was colonised by England, Spain, France and the Netherlands. The colonists learned a great deal from the Indians; they learned to cultivate maize, tomatoes, tobacco, indigo and other crops, and took over the Indians' hunting methods and loose-order fighting tactics which they used in their struggle for the independence of the colonies.

The colonialists brought to the Indians death and destruction. There was no crime the colonialists would not commit in order to subjugate and annihilate the Indians. For example, in 1703 the New England Legislative Assembly adopted a resolution to pay 40 pound sterling for each Indian scalp or redskin captive; in 1774 the remuneration was increased to 100 pound sterling for a scalp of a male past 12 years of age, 105 pound sterling for a male captive, and 55 pound sterling for a female or child captive.

Big American fortunes were made as the result of an unequal exchange between the European colonialists and the Indians. Precious furs were bought from the Indians for next to nothing.

Despite the heroic resistance offered by the Indians, the Europeans who excelled the Indians in arms and took advantage of the disunion of the Indian tribes succeeded in conquering North America. The colonisation was accompanied by protracted and bitter wars which usually ended in driving the Indians further west, their annihilation and seizure of their lands and property.

In the beginning of the 18th century Russians discovered Alaska; the first Russian settlements appeared in California in the beginning of the 19th century. By the 1760s the greater part of North America was seized by England. There were 13 English colonies on North-American territory. As regards their economy and social relations, these colonies formed three groups.

Farming prevailed in the northern colonies known as New England (Rhode Island, Connecticut, New Hampshire and Massachusetts). The bulk of the population consisted of small farmers, small landowners. Manufactories—leather, wool and linen—rapidly developed in towns; the manufactories also produced iron, agricultural implements and arms, and prefabricated frame houses; along the coast the people engaged in fishing and ship-building. Landless farmers migrated westward.

The southern colonies (North and South Carolinas, Georgia, Maryland and Virginia) had a well-developed plantation economy; they grew tobacco, maize, rice, indigo, sugar cane and, later, cotton. The plantations were worked by brutally exploited Negro slaves. The attempts of the colonialists to enslave the Indians and use them as labour power failed. The Indian captives ran away and often committed suicide.

Free farming prevailed in the middle Atlantic or central colonies (New Jersey, Pennsylvania, New York and Delaware). In addition to small farms there were large landholdings which rented land to farmers. These colonies were mainly a grain-growing area; however, they also had iron manufactories and breweries.

An institution of white slaves—"temporary bond servants" (4-7 years)—was widespread in the central colonies. The ranks of these bond servants were continuously reinforced by emigrants from Europe, people condemned for political reasons, or felons, and poor people subjected to involun-

tary servitude for failure to pay their debts. The white slaves were treated barbarously. They were beaten, branded and forced to work in chains; as a form of punishment their wounds were rubbed with salt. Now and then the bond servants resorted to riots. Still their conditions were more tolerable than those of the black slaves. After working for the master for a certain length of time the white slaves were set free. The Negroes were lifelong slaves. Nor were the bond servants subject to the specific hatred and malice engendered by racism.

Prerequisites for the American Bourgeois Revolution of 1775-83

The economic development of the colonies aggravated the antagonisms between them and England. In its striving to retain the American colonies as a source of raw materials and a market for its industrial commodities England introduced a number of restrictions in the development of their industry and trade. In 1756 the English Parliament passed a law prohibiting the American colonies to build blast furnaces, rolling mills and ironworks. It also prohibited the manufacture of any iron articles, felt hats and any fabrics, and leather- and fur-dressing. According to the Navigation Act the American colonies were allowed to sell their goods and buy industrial commodities only in England and to transport them only by English ships. The prices of English commodities were very high.

In 1763 the king of England issued a proclamation concerning the administration of the newly-acquired territories; the king forbade the colonists to occupy any land beyond the Allegheny Mountains. The lands between the Allegheny Mountains and the Mississippi River were declared to belong to the English Crown. The English aristocracy and bourgeoisie laid claim to the free lands west of the Alleghenies.

Before the royal proclamation, freed white slaves and ruined farmers migrated to those lands. Those lands were also claimed by planters on whose estates the soil was exhausted by predatory farming.

The antagonisms between England and the American colonies became still more aggravated after the English

government had tried to shift a considerable part of the national debt onto the colonies. Until 1765 the population of the colonies had never paid any taxes to England. In 1765 the English Parliament passed a law (the Stamp Act) for raising revenue in the colonies by requiring the use of stamped paper and stamps for legal and official documents and commercial writings. The same year the English Parliament issued the so-called Billeting Act, according to which England could send an unlimited number of troops to the American colonies and billet them with the population.

All these measures roused strong indignation in the colonies. Secret political organisations named the Sons of Liberty came into existence in Boston, New York and a number of other cities. Workers, artisans, farmers, fishermen, merchants and the revolutionary part of the bourgeoisie actively participated in these organisations headed by the most radical representatives of the bourgeoisie.

The Congress of Representatives of the 13 American colonies held in New York in 1765 declared that the people of the colonies could be taxed only with their consent or the consent of their representatives. The Congress decided to boycott English goods. The boycott caused considerable losses to the English bourgeoisie. The English merchants petitioned the government to repeal the Stamp Act. Under the influence of the petition of the English merchants and the strong popular movement in the American colonies, and after the protest of Benjamin Franklin, the representative of the American colonies in England, the Stamp Act was abrogated.

But next year the English Parliament passed a law on increasing the customs on paper, tea, glass, glass articles and paints imported to the colonies from England. The colonies responded by a stronger boycott of English goods and by intensifying the movement for the development of their own industry.

To mitigate the discontent in the colonies, the English government exempted from taxes all goods except tea. The people in the colonies responded by refusing to use tea. In 1773 a group of American colonists, disguised as Indians, stole on board East India Company ships in the Boston harbour and threw the entire load of tea into the sea (this incident went down in history as the Boston Tea Party).

The English government retaliated by repressions. The Massachusetts colonists organised a revolutionary committee. On a suggestion of the committee a Continental Congress was convoked in Philadelphia on September 5, 1774. Fifty-five delegates from 12 colonies took part in the Congress (the delegates from Georgia were detained by the governor). The Congress addressed a petition to the king with the request not to impose any taxes on the colonies without the consent of their representatives, to remove the restrictions on trade and industry, and to discontinue the persecutions. The Congress also adopted the Declaration of Rights, containing a protest against the coercion and arbitrary rule of the English authorities, and decided to boycott trade with England.

King George III declared the colonies rebellious and the English navy was ordered to blockade the American colonies.

Revolutionary War of Independence (1775-83)

In 1775 the American people began a revolutionary war for their independence.

The Second Continental Congress convened in Philadelphia on May 10, 1775. It declared a state of war against England and passed a resolution to organise an army. George Washington was appointed the Commander-in-Chief. Between 1775 and 1781 the Second Continental Congress also exercised the functions of the central government.

On July 4, 1776 the Second Continental Congress adopted the Declaration of Independence drawn up by Jefferson. For its time that was a progressive document. It declared the colonies to be free and independent of England and to have become the United States of America. But the question of abolishing slavery was not even raised. Negro slavery was retained.

The Declaration proclaimed the equality of all people before the law, national sovereignty and the right of people to overthrow the government which violates their rights. It stated that the people have the right to abolish the old form of government and to set up a new government.

In the beginning England waged war quite successfully, but then the English troops suffered defeat. The United

States of America took advantage of the antagonisms between England and the other European Powers. In 1783 a peace treaty was signed in Versailles; according to this treaty England recognised the independence of the United States of America and ceded to them the lands between the Alleghenies and the Mississippi.

The War of Independence was a bourgeois revolution. The principal part in winning the victory was played by the popular masses—workers, farmers, petty urban bourgeoisie, bond servants and Negro slaves. The Revolution was headed by the bourgeoisie and was aimed against the feudal relations imposed by the English colonialists.

An important role in the War of Independence was played by Negroes of whom close to 100,000 ran away during the war from the slave-owning planters. A large majority of Negroes hailed the Revolutionary War with enthusiasm. The Negroes hoped that the war would break the chains of slavery and bring them freedom. But they were disappointed. The American bourgeoisie and planters retained slavery.

Significance of the War of Independence

The progressive significance of the War of Independence lay in the liberation of the American people from colonial oppression and in the creation of a national state in lieu of the former colonies.

The anti-colonial, national liberation and anti-feudal character of the American people's Revolutionary War of Independence greatly influenced other countries, especially the Latin American countries with their national liberation movement against Spanish and Portuguese dominion, and France which was on the eve of its bourgeois revolution.

The American bourgeois revolution created the prerequisites for a more rapid development of capitalist society in the United States of America. The Revolution failed to solve many problems of bourgeois-democratic reorganisation; for example, the Indians did not secure the rights of citizenship, Negro slavery was not abolished, and the land sold in large tracts was almost beyond the means of the poor settlers. Plantation slavery was retained and expropriation of Indians was sanctioned by the bourgeois revolution.

CIVIL WAR OF 1861-65 IN THE U.S.A.

Causes of the War

In the 1860s the relations between the northern industrial states and the southern slave-owning states became extremely strained. The development of the northern states proceeded in the direction of industry and farming and was based on a system of hired labour. Contrariwise, the plantation economy of the southern states was based on slave labour.

The slave plantation economy was conducted by predatory methods. The planters used no fertiliser and every three or four years started cultivating new lands, abandoning the old ones. This system of economy required vast spaces. The slave-owning planters moved westward, as did the farmers from the eastern and north-eastern states and the emigrants from Europe.

The antagonisms between the farmers and slave-owning planters were becoming sharply aggravated in the struggle for the lands in the West.

There were also sharp antagonisms between the industrial bourgeoisie of the North and the North East and the slave-owning planters. Slave-owning impeded the economic development of the southern states, which affected the volume of the internal market for the industry of the North and North-East. The capitalists of the northern states were extremely short of labour and regarded the Negro slaves as their future wage-workers.

The southern planters exported cotton, tobacco and other products to England and from there imported the necessary industrial commodities. That roused the discontent of the capitalists of the North and North-East since such foreign trade of the South deprived the northern manufacturers of markets and sources of raw materials.

The slave-owning plantation system experienced a deep crisis. The extensive methods of agricultural economy on the plantations of the South exhausted the land. Slave labour on which the slave-owning plantation system was based hampered the introduction of new agricultural machinery. Great difficulties in purchasing slaves arose, the average price of a slave, which was 150 dollars in the beginning of the 19th century, increasing to 2,000 dollars in 1860. The

slaves revolted and ran away from the plantations. The slave-owning planters did not confine themselves to domination in the southern states, but moved westward with the aim of expanding their plantations. In its domestic and foreign policies the government of the U.S.A. supported the interests of the slave-owners and encouraged the slave-trade. The slave-owning planters demanded an aggressive expansionist foreign policy and advocated a programme of perpetuating slavery. They regarded the aggressive war of 1846-48 against Mexico as the first stage of transforming South and Central America into a province of their slave-owning empire.

The Republican Party which was organised in the North in 1854 and expressed in the main the interests of the big bourgeoisie, advocated the opening of lands in the West to free settling and opposed slavery.

In 1860 Abraham Lincoln, Vice-President of the Republican Party and Member of the House of Representatives, was elected President of the U.S.A.

First Stage of the Civil War

The slave-owners put forward a demand for secession, i.e., they demanded the right for any state to withdraw from the Union. In November 1860 a congress of slave-owners in Charleston decided to secede and in December the state of South Carolina proclaimed its secession from the Union. South Carolina was followed by 10 other slave states.

The action of the "poor whites" against the secession was most savagely suppressed by the slave-owning planters.

The Southern Confederacy was formed at the Congress of six seceded states in Montgomery (Alabama) in February 1862 and Jefferson Davis, a rich planter and rabid advocate of slavery, was elected its president. The city of Richmond (capital of Virginia) was proclaimed the capital of the Confederacy. The temporary Constitution of the Confederate States of America adopted by the Congress proclaimed slavery a "natural state" and "bulwark of civilisation".

In April 1861 the troops of the South attacked Fort Sumter (near Charleston, South Carolina) which had remained loyal to Lincoln's government. Thus began the American Civil War which lasted four years (1861-65).

The slave owning planters had prepared for the war thoroughly whereas the North was unprepared for it. At the outset Lincoln's government used indecisive tactics. These tactics expressed the conciliatory sentiments of a part of the bourgeoisie, chiefly the big northern financiers and big industrial and trading bourgeoisie who did not want a final break with the southern slave-owning planters and refused to wage war by revolutionary methods. That was responsible for the defeat of the North during the initial period of the War (1861-62).

Transition to Revolutionary Methods of War

Under the pressure of the popular masses Lincoln's government finally decided to wage war "in a revolutionary manner".

Of enormous importance in the transition of the northerners to war "in a revolutionary manner" was the participation of the working class in the military operations. In many cities - New York, Philadelphia, etc.-the total membership of trade unions went off to war. According to a report of the U.S. Senate, 750,000 industrial workers of the North enlisted in the army.

In September 1862 President Lincoln issued a proclamation on the emancipation of the Negroes as of January 1, 1863. Although the Negroes received neither political rights nor land, this law proved very important both from the military and political points of view.

In May 1862 Lincoln's government published the Homestead Act making homesteads available to all U.S. citizens except those who fought on the side of the slave-owning planters: the homesteads of about 64 hectares (160 acres) of land were granted in the West free of charge except the payment of a 10 dollar land tax. Purchase of land at 1.25 dollars an acre was also allowed; the latter circumstance was utilised by land profiteers. The Homestead Act, nevertheless, solved the agrarian problem on a more democratic basis in the interests of farmers than had the former enactments, according to which large tracts of land had to be purchased for cash. The farmers were now given a real opportunity to avail themselves of the free lands in the West.

The Homestead Act was a hard blow against slavery. The slave-owning planters were deprived of the right to obtain land in the West and, without cultivating new fertile, unexhausted lands, their plantation economies based on predatory methods of exploitation could not develop.

In July 1862 the U.S. Congress passed a law drafting all men 18-45 years of age for military service. This law made it possible extensively to utilise the great man-power resources superiority of the northern states. The population of the South was 9 million (3.5 million of these were Negroes), whereas the North had 22 million population. Towards the end of the war the man-power resources of the South were so exhausted that the slave-owners had to admit to military service even Negro slaves.

The Federal Government allowed Negroes to enlist in the army only in July 1862. From 1863 Negroes were admitted to military service in large numbers. Conscription of Negroes was allowed only by the law of February 24, 1864. The Negroes wrote many a page of heroism and courage into the history of the Civil War. In February 1863 Colonel Higginson stated that it would be sheer madness for even the bravest white troops to venture what the black troops successfully accomplished. Speaking of the heroism of Negro soldiers in military operations General Banks emphasised that no other troops could have fought with greater resolution and bravery. And still the Negroes were subjected to the most shameful racial discrimination. Negro soldiers received much lower pay than white soldiers. In addition to fighting the Negroes were forced to do all the hard work. No Negro could rise higher than a sergeant in rank. Only in rare cases did Negroes become officers. In 1864 there were more than 186,000 Negroes in the army (134,000 of these hailed from the slave states), 30,000 in the navy and 250,000 in rear organisations of the Federal Army.

In enlisting slaves in their army the slave-owners ran a great risk. Negroes deserted to the side of the northern states at the very first opportunity and increased their superiority in man-power. Close to 500,000 Negroes ran away from the southern states to the North during the Civil War with the result that production in the South greatly decreased.

The numerous uprisings and revolts of the slaves in the rear of the rebellious planters and the fear of a general

Negro uprising diverted large southern forces—almost 100,000 officers and men.

The Negroes waged a selfless struggle for freedom from the very beginning of the Civil War. They organised partisan detachments ("Forest Negroes") and fought the robber bands of the rebellious slave-owners.

The most important and dangerous operations were assigned to Negro units. The Negro losses were much greater than the losses in the regiments consisting of white volunteers. About 70,000 Negroes lost their lives in the struggle against slavery and for the integrity of the U.S.A.

The Negroes played an outstanding role in the Civil War. In 1864 Abraham Lincoln stated that without the aid of the Negroes the northern states would have lost the war.

The purging and improvement of the commanding personnel of the northern forces also greatly helped to win the war. Many progressive, democratically minded abolitionist officers stemming from workers' and farmers' families appeared in the army of the North during the Civil War. Among them were Weydemeyer (socialist publicist), Willich (former member of the Central Committee of the Union of Communists), Sylvis (prominent American labour leader), Cluseret (subsequently member of the Paris Commune) and Turchaninov (former Russian officer).

The transition to revolutionary methods of waging war during the second period of the Civil War (1863-65) led to the victory of the North over the slave-owning planters. The victory was made possible by the selfless struggle of the American people—workers, farmers and Negroes.

Significance of the American Civil War

The American Civil War, especially during its second stage, was of the nature of a bourgeois-democratic revolution. The popular masses waged a just revolutionary war of liberation against slavery, and victory was achieved by their heroic efforts. Workers, Negroes and farmers formed the main driving force of the revolution under the leadership of the progressive bourgeoisie. As the result of the vigorous actions of the popular masses the Civil War put an end to the political and economic disunion of the country, created the possibilities for rapid development of capitalism by

eliminating the obstacles which hindered the transformation of the U.S.A. from an agrarian country into an industrial-agrarian country, and contributed to the farmer (so-called American) way of development of capitalism in agriculture.

The Civil War consolidated the political dominion of the country's big industrial bourgeoisie by eliminating the claims of the slave-owners to power.

The fruits of victory were reaped mainly by the big bourgeoisie which strove for a compromise with the planters. In 1865-66 the planters introduced anti-Negro "black codes", set up Ku Klux Klan terrorist organisations, etc. Freed from slavery but devoid of land the Negroes found themselves in bondage to the planters and transformed into sharecroppers. The dependence of the farmers on banks increased. The big bourgeoisie consolidated its dictatorship and enriched itself by intensifying the exploitation of workers.

The Civil War tremendously influenced the economic development of the U.S.A. In the last third of the 19th century capitalism in the U.S.A. developed uncommonly rapidly. In 1840 the U.S.A. held the world's fifth place in industrial output; in 1860 they advanced to fourth place. Until the end of the Civil War the U.S.A. were economically a European colony. In 1870 the U.S.A. were second in industrial production only to England, while in 1894 they became the world's leading industrial power, turning out half the total industrial production of the capitalist countries. From 1860 to 1895 industrial production in the U.S.A. increased sevenfold.

The following reasons for the rapid development of capitalism in the U.S.A. should be mentioned: long existence of a bourgeois-democratic republic; absence of feudalism; enrichment as the result of many wars in Europe; chances to utilise European technology and capital; rich natural resources; rapid development of engineering; immigration of millions of Europeans, Asians and Latin Americans (more than 14 million immigrants came to the U.S.A. between 1860 and 1900); cruel exploitation of immigrants, Negroes and Indians; plunder of neighbouring states and territories.

Chapter 5

DEVELOPMENT OF CAPITALISM IN RUSSIA

Socio-Economic Development of Russia in the First Half of the 19th Century

In Russia capitalist relations began to form at the end of the 18th century, but a serf system prevailed in the country even in the middle of the 19th century. Despite the crisis that had begun in the serf system, forced, serf labour predominated in the main branch of Russia's economy—agriculture—which employed 90 per cent of the population.

The industrial revolution in Russia began in the 1830s. Manual labour was gradually being replaced by machine labour. The first steam engines made their appearance in industry and the transport, and new agrotechnical methods, progressive for the time, were being used in agriculture with the result that production and trade increased and commodity-money relations developed.

The development of commodity-money relations led to a change in the social structure. A process of "depeasanting" the countryside began. Masses of peasants were being impoverished, on the one hand, and a small group of the rural rich were growing richer, on the other. The number of landowners increased. Purchase of land from the nobility by merchants, officials and rich peasants became a characteristic feature of land-tenure. This process undermined the main foundations of the feudal system—the monopoly right of the nobles to own land. The new landlords had no serfs and therefore widely used hired labour, which is typical of capitalism. A rural bourgeoisie thus began to form in the Russian countryside and the property inequality of the peasants assumed a character of social stratification.

With the development of the commodity-money relations

both the peasant and landowners' economies were increasingly drawn into market relations. In some areas small landowners were being ruined, while large landholdings using new agrotechnics and machinery were developing. Some landowners also embarked on the path of capitalist enterprise. Most landowners, however, used their monopoly right to land and expanded their economies on a serf basis curtailing the peasant allotments and increasing the corvée. Peasant landownership—one of the foundations of the feudal system—was thus undermined. Since the landowners (especially small and middle landowners) were in a position to utilise the labour of serfs, they were scarcely interested in developing agriculture by using progressive agrotechnics and machinery. That impeded the development of agriculture and led to a decline of some of its branches.

In industrial areas landowners, in order to increase their income, released their peasants on quit-rent. That diverted the peasants from agriculture and forced them to look for work in towns.

The serf system thus impeded the development of the productive forces in Russian agriculture.

The industrial revolution, embracing the most important branches of Russia's economy, brought about further development of the industry and resulted in a considerable increase in industrial output. Russia's domestic, as well as foreign, economic relations were strengthened. In addition to backward Caucasus and Kazakhstan the Russian Empire included industrially developed areas of Poland. All this hastened the process of capital accumulation and opened new sources of raw materials and markets necessary for industrial development.

But the development of industry was hampered by the serf system. There was too little free labour power. The serfs whom the landowners allowed to go to town to earn a living formed the bulk of the workers. But they were still tied down to agriculture and if any landowner considered the quit-rent insufficient he recalled his peasant serfs.

The serf system prevented manufacturers from introducing new machinery because its utilisation required free workers interested in their work. The new industrial machinery urgently needed a mass of personally free people to form a reserve labour army for capitalist enterprises.

Russian industry lagged behind the industries of the advanced capitalist countries.

The development of Russian industry was impeded by the circumscribed domestic market since a serf natural economy prevailed in agriculture. The indigent serf peasants were unable to buy any manufactured articles.

Contradictions between the developing productive forces and the antiquated feudal production relations increased with enormous rapidity. Further development of the productive forces required abolition of the serf system and bringing the production relations into line with the new level of development of the productive forces.

Origin and Development of a Revolutionary Situation

The crisis of Russia's economic development affected primarily the living standards of the peasants and workers. The yoke of feudal obligations kept increasing. The countryside continuously starved because of crop failures, loss of cattle and lack of arable land and pastures. The poverty of the peasants led to epidemics, increased morbidity and mortality and a decreased birth-rate. The serf system destroyed the rural workers, the most important productive force of the society of that time.

The worsening of the peasants' conditions stimulated their struggle against the landowners. The peasants refused to pay quit-rent and to perform the feudal services, ran away from the landowners, set fire to the landowners' estates, beat and killed the serf-owners and their stewards. Between 1826 and 1861, there were 1,186 serf uprisings. The disturbances involved almost every part of the country. In the outlying national districts this movement merged with the struggle of the peoples against national oppression (Caucasus, Poland, etc.). The struggle of the peasants was supported by workers who experienced the oppression, brutality and arbitrary rule not only of the proprietors and factory administration, but also of the landowners.

The Russian peasants struggled for land and freedom, i.e., for abolition of the feudal dependence. Objectively these demands of the peasants were aimed at creating favourable conditions for the development of capitalism in Russia. The actions of peasants and workers were savagely suppressed

by tsarism. The laws, prisons, army and all the policies of the landowner state defended the interests of the land- and serf-owners and hampered the development of new production relations in Russia. The socio-economic development of the country required the removal of these obstacles by a social force which was interested in creating new production relations.

The peasants were heterogeneous and disunited; they were concerned only with their local interests and therefore could not combine their efforts to wage a revolutionary struggle for their demands.

Only the working class could be the revolutionary leader of the peasantry, but at that time Russia had as yet no working class.

The Russian bourgeoisie interested in the capitalist development of the country was economically and politically weak. By its origin it was in large measure connected with the landowner class. It had good knowledge of the bourgeois revolutions in Western Europe, saw the increasing struggle of the West-European proletariat and therefore feared the revolution. Afraid of a peasant war the Russian bourgeoisie only tried through the lips of liberals to persuade the landowners and tsarist officials to make a concession to capitalist development, to "emancipate" peasantry and thereby avoid revolution, abolition of landowners' property rights and liquidation of autocracy.

The aggravation of the crisis of the serf system led to a new stage of the revolutionary movement in Russia. The spokesmen for the peasantry in the 1840s-60s were progressive intellectuals who were cognisant of the aspirations of the labouring peasants. They stemmed from the petty clergy, officialdom, petty bourgeoisie, merchants, peasantry and declassed nobility and were revolutionary democrats by conviction. They were fully aware of the savagery of serfdom and unmasked it. They formulated the demands of the peasants as a programme of complete abolition of serfdom and of making land available to peasants without redeeming it from the landowners. The revolutionary democrats exposed the serf character of the projected "emancipation" of the Russian peasants from above. Many of them held that the people could obtain satisfaction of their demands only by abolishing the landowners' property

rights and overthrowing the power of the land and serf-owners by means of a peasant revolution.

The Russian revolutionary democrats acted at the time when the revolutionary character of the bourgeois democracy in Europe was already dying off. The experience of the West showed them the miseries capitalism brought to the people. In connection with this, some of them who did not understand the new way of revolutionary development, in which the principal role is played by the proletariat, brought forward the utopian theory of a "peasant socialism". In this theory the exposure of serfdom and the criticism and rejection of the capitalist system were combined with a demand for a transition from backward Russian reality directly to socialism through development of the peasant community, which existed in Russia, with its "everybody's right to land", self-government, etc. The ideas of "peasant socialism" reflected the revolutionary aspirations of the peasants to equality, abolition of the landowners' property rights and overthrow of the rule of the land- and serf-owners. But this theory was far from scientific socialism because it rested on survivals of old social relations, on the disintegrating peasant community. Russia's road to socialism ran through the stage of capitalist development.

The revolutionary democrats—A. I. Herzen, V. G. Belinsky, N. G. Chernyshevsky and N. A. Dobrolyubov—deeply hated serfdom and tsarism and called on all progressive Russians to struggle against autocracy. Chernyshevsky demanded complete abolition of serfdom without redemption, complete freedom and a free transfer of all the land to the peasants. By castigating autocracy and serfdom the revolutionary democrats educated the progressive intellectual youth in a radical spirit and the youth started organising political circles. The proclamations of the revolutionary democrats unmasked the contemplated deal between tsarism and the landowners. Chernyshevsky called on the peasants to rise against tsarism and serfdom. "Tell the Russian people to take up battle-axes," Chernyshevsky taught the revolutionaries.

The heroic efforts of the democratic forces in Russia did not suffice to organise and lead the struggling peasantry. The peasants waged a bitter struggle for land and freedom, which attested the existence of a revolutionary situation in

Russia, but they were not organised politically and were incapable of overthrowing serfdom. Despite that the revolutionary upsurge was one of the most important factors that forced the landowners to abolish serfdom in Russia.

Fall of Serfdom in Russia

The Russian ruling class—nobles and landowners—saw that the system they had created was doomed and merely wondered how they could alter it in their own interests. Many landowners recognised the economic necessity of abolishing serfdom. The growing peasant movement convinced them of the political necessity of abolishing serfdom. The crisis of the serf system was hastened by the defeat of serf Russia in the Crimean War against bourgeois countries (England, France, Italy), which revealed the economic and military backwardness of the country. The war had intensified the social antagonisms in the country to the limit. Fearing abolition of serfdom from below, as the result of the peasant struggle for land and freedom, the landowners and the tsar were forced to assent to the abolition of the serf system from above on terms most advantageous to the serf-owners. According to the reform of 1861, the peasants became legally free and were granted general civil rights (right to transact business, to trade, own property, etc.). The bourgeois content of the reform was that the peasants became independent commodity producers, which intensified the process of differentiation of the peasantry and led to the ruin of its overwhelming majority.

The landowners wanted to consolidate their economic and political domination. Supported by the power of the state machinery they tried to impede the development of capitalism in Russia with the aid of the reform and to retain the serf system. The reform left all the lands tilled by the peasants in the hands of the landowners. The peasants were given the right to redeem strictly limited strips of land, while the landowners retained possession of the best lands. Until redeemed, the peasant's strip of land continued to be the property of the landowner and was only tilled by the peasant. During the time it took the peasant to redeem his strip he had to fulfil certain obligations for using the land as he did before the reform. The redemption sum was fixed

in such a manner that by depositing the money in a bank the landowner might get an interest equal to his former income. Thus the landowners lost nothing by the redemption and the "emancipation" of the peasants. What is more, they gained by the reform because the redemption sum exceeded the market price of the strips. The peasants were actually redeeming not only the land, but also their freedom. The landowner state transformed the "emancipation" into open robbery of the peasantry.

The landowners also tried to retain the feudal dependence of the peasants as long as possible. Until complete redemption of the land peasants were in a state of police dependence on landowners and after its redemption became dependent on the tsarist administration which represented the same landowners. The economic independence of peasants was also constrained by the retention of the community which was the legal owner of the land; without the consent of this community the peasant could neither dispose of his strip nor leave his village.

The reform of 1861 served to aggravate the struggle of the peasants against the landowners still more. The peasants did not understand the landowner and serf nature of tsarism and thought that the tsar had given them real freedom, but the landowners had replaced the tsar's edict. The peasants' disappointment with the reform and the rumours that the tsar's edict was actually directed against serfdom caused a new wave of peasant actions against the landowners. These actions were brutally suppressed by the tsar's troops. The revolutionary democrats (N. P. Ogaryov, M. L. Mikhailov and others) explained to the peasants that in carrying out the reform the tsarist government expressed the interests and will of the landed nobility. They called on the youth to "go to the people" and carry on revolutionary propaganda for replacing autocracy by a government elected by the people, for establishing democratic liberties, and for nationalising the land and turning it over for use to the peasant community.

One of the manifestations of the revolutionary situation was the 1863 uprising in Poland which at that time was a constituent part of the Russian Empire. The struggle for Polish national liberation was at the same time the struggle of Polish, Byelorussian, Lithuanian and Ukrainian peasants

for land and against serfdom. The tsarist government cruelly suppressed the uprising, but was forced to make certain concessions, i.e., it returned to the Byelorussian and Lithuanian peasants the lands which had been cut off by landowners, and reduced the redemption payments in these areas. Thus the peasants succeeded by a bitter revolutionary struggle in improving their conditions and in eradicating the serf system in Russia.

However, survivals of serfdom in the countryside continued to impede the development of capitalism, which was also hampered by the backward autocratic-nobiliary state system.

The reform of 1861 retained the basis of the economic backwardness of agriculture—the landed estates in which a semi-serf economy prevailed. The shortage of land after the reform forced the peasants to rent from the landowners arable land, meadows and pastures. For this the peasants tilled the landowners' lands. That was a new form of the old *corvée*. The survivals of the old system also included share-cropping, the peasants paying half the crop as rent.

As the result of exploitation by landowners the bulk of the peasants could not improve their economy. Since the landowners earned enormous incomes from the semi-serf exploitation of the peasants they took a long time transferring their economies to a capitalist way of development.

The abolition of serfdom fostered in the Russian countryside the formation of new classes characteristic of bourgeois society. The growth of rural commodity economy hastened and aggravated the process of social differentiation in the countryside. At one pole of the Russian peasantry were the rural poor who had strips of land, but were forced to sell their labour power. In the beginning of the 1880s about one-half of all peasant households had no horses or only one horse each. At the other pole were the kulaks—the rural bourgeoisie—who constituted almost 20 per cent of the peasantry. They were rich landholders who bought up land from landowners and peasants and used rural proletarians as hired labour. The intermediate mass of the Russian peasantry consisted of middle peasants. The bulk of middle peasants was gradually ruined and thereby increased

the ranks of the proletariat, only a few of them rising to the well-to-do top stratum of the rural population.

This stratification of the peasantry kept increasing. The kulaks seized 35-50 per cent of all of the peasants' arable land. Their economy developed and prospered. The kulaks used hired labour, new agrotechnics and agricultural machinery. The strips of land owned by the bulk of the peasants continuously diminished. The peasants rented land from landowners and found themselves in capitalist bondage.

In Russia's agriculture capitalism pursued the landowner (so-called Prussian) way of development. When serfdom was abolished in Prussia the landowners took the land away from the peasants. The almost landless peasants had to go to work for landowners as farm hands and sell the remaining patches of land to kulaks. This way of development of capitalism in agriculture long retains the economic and political domination of the landowners.

The peasants struggled for a revolutionary way of development—for a division of the landed estates and abolition of the survivals of feudalism.

Despite the remnants of serfdom which retarded the development of capitalism in Russia's agriculture, the latter was being drawn more and more into the system of commodity circulation. The kulak and landowner economies were being transformed into enterprises producing commodities for the domestic and foreign markets and consuming increasingly more commodities produced by industry. A domestic market for the capitalist machine industry was being formed.

The importance of the reform of 1861 was that it hastened Russia's entrance into the epoch of industrial capitalism.

The stratification of the peasantry, the further separation of handicrafts from agriculture, the growth of cities, and railway construction created an internal market for a large-scale capitalist industry. An enterprise fever developed around railway construction, more than 20,000 kilometres of railways being built during the 20 years that followed the reform. Russian capitalism received railway communications necessary to create a national Russian market. Many industrial enterprises were built. The textile and the heavy

industries (matalurgical, fuel, etc.) were developed. In the rate of capitalist development Russia outstripped many capitalist countries of Western Europe.

The development of capitalism in Russia fostered a rapid increase in the productive forces both in the centre of the country and in its outlying districts. The new economic structure introduced radical changes into the social structure of society—a bourgeoisie and with it a proletariat were developing in Russia.

Chapter 6

THE WORKING-CLASS MOVEMENT IN THE 19TH CENTURY AND THE ORIGIN OF MARXISM

BEGINNING OF THE WORKING-CLASS MOVEMENT

Formation of the Proletariat as a Class

As a result of the industrial revolution capitalism entered upon a new stage of development—the stage of machine production. Capitalist production relations gradually became the predominant relations in society, and the struggle between the working class (proletariat) and the bourgeoisie began to form the gist of the new historical epoch.

But the victory of capitalist production relations was not a simple automatic process. It was a long political and economic struggle between the new classes and the old ruling classes; in the advanced European countries it took in the 17th and 18th centuries and ended during the first half of the 19th century. This period was noted chiefly for the struggle of the bourgeoisie for power. After seizure of power the bourgeoisie became the dominant class not only economically, but also politically.

In connection with the development of machine industry at the end of the 18th century and, especially, during the first half of the 19th century the working class also became consolidated; it formed its own political organisations, began to wage an independent struggle for its interests and elaborated its own ideology. In the beginning the working class, as a rule, supported the progressive struggle of the bourgeoisie against feudalism, and then, after the assumption of political power by the bourgeoisie, began to struggle against the bourgeoisie for the purpose of establishing a socialist system. This struggle determined all the subsequent development of history.

Despite the bourgeois revolutions which had taken place in a number of European countries those countries retained survivals of feudalism which hampered the development of industry. The struggle against these survivals was headed by the bourgeoisie supported by other sections of the population, primarily the working class. Gradually the working class began to play the decisive role in political life by acting as the most consistent fighter for democracy. The working class is by its very nature the most progressive class because it is connected with the most modern industry and owns no private property. The proletariat is opposed to any and all exploitation of man by man because it does not exploit anybody and is, on the contrary, itself subjected to most brutal exploitation. It advocates abolition of private ownership of the means of production because it does not need it.

Of course, the working class did not come to understand its historical mission and its tasks all at once; in the beginning it was under the spiritual influence of the bourgeoisie, but in the course of the political, economic and ideological struggle it gradually rid itself of this influence and by its own experience became convinced of the necessity of waging an independent struggle for its rights and for the interests of the entire people. During the first half of the 19th century this process operated differently in different countries, but its essence was everywhere the same.

Chartist Movement in England

England embarked on the path of capitalist development before all other countries. That is why almost all feudal relations in the economic sphere were liquidated, a bourgeois political system formed and a working-class movement developed earlier in England than in the other countries.

The principal question of English political life of that time was the question of democratising the electoral system because, according to the laws of the time, the members of parliament (the House of Commons) were elected not in due proportion to the population, but from territorial districts unequal in size and population. As a result, the people elected to parliament were mainly landowners (landed aristocracy) and financial magnates, and, since large cities

and small communities had equal representation, the members of parliament elected by the towns were in the minority. This system of representation was a definite survival of feudalism in political life and impeded the development of industry. In 1815 parliament, which expressed the interests of the feudal lords, passed the so-called "corn laws" which raised the grain prices. These laws benefited the landowners, but were detrimental to the interests of the industrial bourgeoisie, which had to pay the workers higher wages to keep them from starving, and aggravated the conditions of the working people. A law introducing an import duty on wool was passed in 1819. This duty hampered the development of the leading branch of English industry—the textile industry.

Under the circumstances the radically minded bourgeoisie, especially its most resolute representatives, demanded universal suffrage, while the more cautious bourgeois leaders strove for a change in the electoral system which would make it possible to elect deputies according to the size of the population and would grant suffrage only to persons who have incomes exceeding the wages of workers and reside in the given area for a definite length of time. The bourgeoisie created its own political organisations and published more newspapers and journals in which it propagandised its ideas.

It was at that time that the English working class entered the political struggle. The working-class movement had begun in England as early as the end of the 18th century and at first manifested itself in destruction of the manufacturing machinery by the workers. The reasons for the destruction of the machinery were that the working day lasted 14-16 hours, female and child labour was extensively used, the women and children received lower wages, and the workers were subjected to fines and extortion. The factories and mills employed former peasants and handicraftsmen who did not understand that it was necessary to introduce machinery and believed the machines to be responsible for their terrible plight. That is why, first in England and then in other countries, the workers spoiled the machinery and equipment, thereby protesting against the distressing conditions of life. In England this movement was given the name of Luddism, after a mythical worker named Ludd who

was allegedly the first to have destroyed his machine and thereby to have freed himself from exploitation. The movement assumed wide scope, and the government came to the defence of the bourgeoisie by passing a law, according to which persons guilty of spoiling machinery were condemned to long prison terms (in 1782), and then another law which made that offence punishable by death (in 1813).

In the beginning of the 19th century the workers took a more active part in the struggle for the electoral reform, especially those workers who lived in large industrial centres, such as London, Manchester, Birmingham, etc. The entrance of workers into the struggle for the electoral reform put this political campaign on a broad basis. Fearing further development of the movement the government passed a law in 1832 changing the electoral system so that suffrage was granted to all who had large incomes, i.e., it satisfied the demands of the big bourgeoisie. After that the liberal bourgeoisie largely abandoned the struggle for the electoral reform, and the initiative was taken by the proletariat and the radical bourgeoisie.

The proletariat did not gain anything by the change in the electoral system, and the workers therefore began to shun the bourgeoisie and to set up their own organisations. Thus the London Society of Workers was organised in 1836. The very next year the society came out with a programme for the electoral reform called the People's Charter. The entire movement was subsequently named Chartism. Representatives of the radical bourgeoisie also joined this movement. The Charter was published and began to be discussed at mass meetings. The government prohibited night meetings so as to make it impossible for the workers to take part in them, but the movement expanded and grew, nevertheless. On May 28, 1838 the meeting in Glasgow was attended by close to 200,000 people and the meeting in Manchester by about 400,000 people. The meetings elected delegates to the First Chartist Congress held in London February 4, 1839. The Congress elected a Convention which had to take upon itself the leadership of the Chartist movement. But the presence of representatives of the bourgeoisie in the Convention hampered its work. The Convention carried out a campaign for signatures to the Charter which demanded introduction of universal suffrage by secret

ballot, equal division of districts, abolition of any and all qualifications for the members of parliament, annual re-elections of the parliament and pay for the deputies. A total of 1,280,000 signatures was collected, but parliament refused to consider the Chartists' petition.

The failure of the first petition did not discourage the workers, but the bourgeois representatives, who saw that the movement was assuming a mass character, preferred to shy away from it and thereby showed their true class nature. They even abandoned the struggle for the bourgeois-democratic reform. From then on Chartism became a purely proletarian movement. The National Chartist Association organised in July 1840 assumed features characteristic of a working-class organisation. It had its constitution and a permanent executive committee, and its members regularly paid dues.

The association worked out a new Charter which now contained a number of social clauses. The Charter indicated in particular the distressing conditions of the life of workers, the slave character of labour and the political despotism. A new campaign for signatures was organised, and the petition, signed by more than three million people, was submitted to parliament which again refused to consider it. Then a wave of strikes rolled all over the country, and in 1847 parliament was forced to pass a law on a 10-hour working day.

Beginning of the Working-Class Movement in France

Although the bourgeois revolution in France destroyed the foundations of feudalism, it left quite a few of its survivals in economic and political life. Politically France was a more backward country, its monarchy having been restored after the defeat of Napoleon. The power of the king was restricted by parliament consisting of two chambers—the chamber of peers, whose members were appointed by the king, and the chamber of deputies who were elected by persons with annual incomes of at least 300 francs and living in the given area for a definite length of time. The deputies had to have an annual income of at least 1,000 francs. Naturally, that predetermined the composition of the parliament which

acted in concert with the king and in the interests of the landowners. The king and parliament encouraged high prices on timber, of which charcoal was then being made for metallurgy, and thereby hampered the development of the heavy industry.

The French government was also opposed to any agrarian reform. Agriculture played the most important part in the life of the country because industry was not yet sufficiently developed. But it was a small-scale, scattered agriculture, and capitalist methods of production were used only on one-third of the cultivated lands. Further development of agriculture was hindered by the half-rent system, according to which the tenant had to give the landowner half the crop. The tenants were therefore not interested in increasing the yield and the marketable surplus of agricultural production. Moreover, the government imposed on the peasant economics excessively high taxes which hampered the development of commodity production.

Further development of the French economy depended on a change in the political system, which was demanded by the industrial bourgeoisie and the proletariat. The French proletariat had gone through a good school of struggle against despotism and oppression and therefore actively joined the struggle against the existing system. The most class-conscious proletarians joined political clubs organised by the radical bourgeoisie. These clubs discussed the internal situation in the country and elaborated a programme for setting up a new government. But even the radical bourgeoisie refused to consider questions of raising the wages, shortening the working day, improving the housing conditions, etc. The workers therefore began to organise their own clubs and to discuss the questions which were of interest to them. But they did not confine themselves to mere discussions. Driven to despair by their distressing material conditions, they often rose in arms against the existing system and their employers. For example, in 1831 the workers came out into the streets of Lyons demanding a raise in wages, but were fired upon by the troops. The workers seized arms, captured the city and established their own rule. The uprising was soon suppressed, but the Paris workers revolted the very next year, and in 1833 the proletarians of Lyons rose in arms again.

The Lyons uprisings showed that a new political force—the working class—had entered upon the historical arena; the workers began to realise that the interests of the bourgeoisie were opposed to the interests of the proletariat.

After the Lyons uprisings the government passed a law prohibiting working-class organisations. The workers began to organise illegal societies. An organisation called Seasons and numbering about 4,000 or 5,000 members came into existence in Paris in 1839. The organisation was not connected with the masses and that was why, when its adherents tried to seize power on May 12, 1839, they were able to capture only the town hall with one police post, after which they were dispersed by gendarmes.

The French government stubbornly refused to consider the demands of the people. The discontent with the government's policy increased with each passing day. A revolution was impending in France.

Germany on the Eve of the Revolution

In the 1840s there had as yet been no bourgeois revolution in Germany. The country was broken up into a number of independent states. The German Union formally unified 34 German states and four free cities. The supreme body of the Union was the Bundestag which exercised practically no power; it had no army, no legal rights and no diplomatic representatives abroad. The decisions of the Bundestag came into effect only after their approval by the heads of all the states and cities. In other words, no centralised state-basis for the development of capitalism—had as yet formed in Germany; the country had no single internal market and the trade relations between the various German states were hampered by customs barriers.

Under those conditions the development of capitalism in Germany encountered great difficulties. A customs union unifying 18 German states with a population of 23 million formed only in 1818-34. The industry and cities developed slowly. For example, in the 1840s the 12 largest cities of Germany had a slightly larger population than Paris. In the middle of the 19th century the industrial revolution in Germany was only going through its initial stage.

The German bourgeoisie was faced with the problem of carrying out a bourgeois revolution, creating a centralised state and winning power. However, the cowardly German bourgeoisie preferred not to raise the question of altering the political system, but to pursue a course of reforms.

The German working class, which developed later than the working classes of England and France, began its struggle in the middle of the 19th century; it tried to set up its own organisations and came out with its own demands. Owing to the severe police regime the German workers set up their organisations abroad, in Switzerland and England, where the political system was more democratic, and tried to guide the working-class movement from there. One of these organisations was the German People's Union but, like the others, this organisation had weak ties with the workers of the German states and therefore could not exercise any practical guidance of the working-class movement.

At the same time the workers began to struggle for their rights openly. The workers of Silesia (the best developed area in Germany) who lived under intolerable economic conditions rose against the capitalists in 1844, but the government immediately dispatched troops to defend the interests of the exploiters.

In the middle of the 19th century German industry advanced from the manufactory stage to machine production, and its further development now depended on how rapidly feudalism was abolished in the country. Since the government of the German Union was unwilling to carry out the necessary reforms, a revolution was impending in Germany.

Forms of Working-Class Struggle

In the 19th century the workers used various methods of struggle—demonstrations, meetings, strikes and armed uprisings to defend their economic and political interests. Two forms of working-class struggle were correspondingly distinguished: an economic struggle, i.e., a struggle for their immediate interests (raise in wages, shortening of the working day, normal housing conditions, etc.), and a political struggle, i.e., a struggle for altering the policy of the

government and the existing system. In the course of this struggle workers set up their own organisations—trade unions and different associations. The types of organisations, the effectiveness of their work and their ties with the masses depended on concrete historical conditions—the political system of the given country, the struggle experience of the working class, the economic conditions of its existence, etc.

On the whole, however, the working-class movement of that time developed spontaneously. The workers did not as yet have a common outlook upon the world, society and its development, and the historical role of their class: nor did they have a common ideology. The workers' actions were therefore disunited and usually failed. At the same time the workers of the different countries lived under similar economic conditions. The workers became carriers of a new social mode of production which made the private method of appropriation of the products of social labour unnecessary and harmful. That created an objective necessity for the working class to elaborate its own ideology that was fundamentally opposed to the ideology of the bourgeoisie, which strove to retain private ownership of the instruments and means of production. Bourgeois ideologists regard capitalist society as the highest stage of development and cannot conceive humanity existing without private property.

It follows that for successful struggle against the bourgeoisie the working class must work out its own ideology and come to realise its historical mission of changing the social system. This task can be accomplished only by ideologists of the working class—people who do not work manually and understand the historical necessity for replacing the capitalist system by a new, socialist system based on social ownership of the instruments of labour and means of production.

ORIGIN OF SCIENTIFIC SOCIALISM

Utopian Socialism

Until the middle of the 19th century the workers were for the most part under the influence of bourgeois ideas or were guided by ideas of utopian socialism. Utopian socialism

originated much earlier, with the appearance of capitalism and the working class. It expressed primarily the protest of the working class against oppression and exploitation, and its striving to establish a new and just system. The first representatives of utopian socialism and communism—Thomas More (1478-1535), Tomaso Campanella (1568-1639), François Noel Babeuf (1760-1797), Morelli and others—seriously criticised the shortcomings of the exploiter society and suggested a number of ideas about organising a new and just society. In their opinion the new society must establish equality of all people in all walks of life—political, economic and spiritual. What they could not say, however, was how this new society should be created. As a rule, they pictured the new society as something removed from real life. For example, Thomas More placed his new society on an imaginary island called Utopia, and since then the word utopia has become a synonym for everything unreal and unattainable.

In the 19th century utopian socialism was further developed by Saint-Simon (1760-1825), Charles Fourier (1772-1837) and Robert Owen (1771-1858). They saw the contradictions of capitalist society and justly held that the bourgeois revolution had brought the working people neither freedom, nor equality, nor yet fraternity, although these demands had been inscribed on the banner of the bourgeois revolution. The utopian socialists branded capitalism, exposed its sores and vices, and opposed to it the ideal of a new social system without exploitation and social antagonisms. The utopian socialists of the 19th century recognised the importance of developing production in order that the socialist principle of distribution according to labour might be carried into effect and the basic needs of the people might be satisfied. They even ventured to suggest a definite way of transition from capitalist society to socialist society. Fourier, for example, believed it necessary to organise phalanges. He borrowed this idea from Philip of Macedon, ancient Greek military leader who lined up his troops in separate shock groups—phalanges. According to Fourier, the new society must be organised in a manner of the phalanges; it must consist of communities of 300-400 families (about 1,500-1,600 people) building their life on socialist principles. The example set by these communities was supposed to

convince the other people of the necessity of building a new society.

After publishing his book, setting forth the main ideas about building the new society, Fourier hoped to find a "good" capitalist, who would voluntarily give up his capital, and enthusiasts who would want to work in order to build the new society, i.e., to create a phalange. He asked for volunteers to call on him at any time, but nobody called as long as he lived. Fourier died without ever understanding why his idea had not met with approval. Saint-Simon even invested his money in setting up a small society and tried to arrange life in it on new principles, but that society soon changed to a usual capitalist enterprise with all its contradictions.

Why did the utopian socialists fail? They failed because they had not created a true science about society. In their theories they rested a good deal upon the bourgeois ideas that human nature is invariable and that society is always governed by the same laws. They thought that social laws were like physical laws; they made no distinctions between capitalists and workers and held that all people could be divided into good ones and bad ones. They believed that, as similar charges repelled and opposite charges attracted each other in nature, people with similar inclinations were unable to get along with each other and those with different tendencies got along very well in society. This erroneous application of physical laws to the study of society was due not only to the influence of bourgeois ideas, but also to the inadequate development of the social and natural sciences of that time and the low level of development of capitalism and the working-class movement, which made it impossible to work out a scientific theory of social development.

The utopian socialists could not uncover the laws governing the development of capitalist society and find the social force capable of becoming the creator of the new society.

Classical German Philosophy

By the middle of the 19th century the natural and social sciences had reached such a level of development that it was possible to create a truly scientific philosophy—a science about the most general laws of development of nature and

society. The natural sciences showed that the world had not been created by anybody, but had developed according to its own laws. For example, physics discovered the law of universal gravitation which governs all natural phenomena, while chemistry discovered the law of conservation of matter, according to which nothing is created in the world and nothing disappears without leaving a trace, everything merely changing the form of its existence. The advance of natural sciences helped the further development of materialism and dialectics.

The greatest contribution to materialist philosophy was made by the German philosopher Ludwig Feuerbach (1804-1872). Georg Wilhelm Friedrich Hegel (1770-1831), another German philosopher, generalised the method used by the modern sciences in analysing the phenomena of nature and society and raised dialectics to a new level; according to Hegelian dialectics everything must be considered from the point of view of continuous change and development.

However, neither Feuerbach nor Hegel could create a truly scientific philosophy. Feuerbach, for example, did not recognise dialectics and thereby rejected the method of cognition used by science, whereas Hegel adhered to idealist positions and persisted in the opinion that, according to the laws of dialectics, it was not nature and society, but some Absolute Idea that developed. Moreover, he limited the development of this idea to the creation of the Prussian constitutional monarchy, considering it the highest expression of the Absolute Idea and the acme of development of society.

Bourgeois Political Economy

The development of the capitalist mode of production was accompanied by development of a new branch of science—political economy. In the hands of the bourgeoisie it served as the ideological weapon in the struggle against feudalism.

When the bourgeoisie entered upon the historical scene as a progressive class it was interested in scientific knowledge of the laws governing the development of capitalist production, and in eliminating the feudal relations which hindered the power of capital from asserting itself. It was during that period that bourgeois political economy was formed

and was given the name of classical political economy. Its founders were English scientists—William Petty (1623-1687), Adam Smith (1723-1790) and David Ricardo (1772-1823).

Classical bourgeois political economy discovered so important a law as the connection between the amount of labour spent on the production of a given commodity and its value, and laid the foundation for the scientific study of the most important sphere of human relations, i.e., production relations. Other social sciences—history, law, esthetics, etc.—were also given further development.

But the social sciences were imbued with an idealist world outlook which did not regard the actions of people in society as determined primarily by material factors, namely, the affiliation of the people with a definite class and, consequently, their relations to the system of production which had formed independent of their will. The scientists willy-nilly adhered to bourgeois positions and could not think of a society without classes and without private property.

To create a scientific world outlook, it was necessary to master the knowledge accumulated by mankind throughout its history, uncover the regularities and contradictions of capitalist society, and correctly understand the historical mission of the working class in creating a new society. The creators of such a world outlook—ideology of the working class—were Marx and Engels.

Karl Marx (1818-1883) and Friedrich Engels (1820-1895)

Karl Marx was born May 5, 1818 in Treves, Rhine Province, one of Germany's best developed provinces. His father was a well-known lawyer and progressive public figure. After successful graduation from Berlin University in 1842 Marx began to work on a progressive bourgeois newspaper and was soon appointed its editor. In the *Rheinische Zeitung* he published articles against the feudal system in Germany and against the despotic policies of the government. At the same time he continued his intensive studies of philosophy, law and political economy, and gradually became convinced that, to alter the existing situation, it was not enough merely to struggle for democratic reforms, but was necessary fundamentally to change the

entire bourgeois system and establish a new, communist system which is the only system worthy of man. He also understood that it was necessary scientifically to substantiate the need for building the new system and to elaborate a new world outlook.

Friedrich Engels was born into a family of a manufacturer in 1820, also in the Rhine Province. In 1842, after graduation from the university, he went to England to get practical experience by working in the firm owned by his father. In England he became acquainted with the Chartist movement, which served as the turning point in his life for it was then that he began to seek the answer to the question as to why the working class lived under such distressing conditions even in such an advanced country as England. He started a serious study of political economy, philosophy and other sciences and arrived at the same conclusions as did Marx.

In 1844 Marx and Engels met and discovered that their views were completely identical. From then on, until Marx died, they closely collaborated and worked out the fundamentals of a scientific world outlook. They wrote the *Critique of the Hegelian Philosophy of Law*, the *Condition of the Working Class in England*, the *Holy Family*, *German Ideology*, and other books in which they outlined the main ideas of the future world outlook. By 1846 their doctrine, later named Marxism, had already matured and they wrote the *Manifesto of the Communist Party* (1847) in which they set forth their views of the development of society, the role of the proletariat, etc., from the standpoint of the new, communist world outlook.

Marxism was subsequently developed and improved by its originators, as well as their followers, the most outstanding of which was Vladimir Ilyich Lenin, the leader of the proletarian revolution in Russia. Marxism became a harmonious system of views. Its ideological sources were English political economy, German philosophy and French utopian socialism. Marx and Engels took all the most valuable elements from them, remade them and on that basis created a scientific world outlook—the ideology of the working class. The three sources of Marxism correspond to its three constituent parts.

Dialectical and Historical Materialism

The theoretical basis of Marxism is the philosophical science of dialectical materialism which reveals the most general laws governing nature and consciousness. This science asserts that nature was not created by anybody, that it has always existed and will exist forever, and that consciousness is a product of the development of nature, a product of highly-organised matter. Thus dialectical materialism is consistently materialistic. At the same time it considers the development of matter and consciousness dialectically, i.e., from the point of view of their continuous development and change. Dialectical materialism united dialectics with materialism and discovered the actual laws which govern matter as a whole.

Marxism linked the general laws governing the development of matter with the specific laws governing the development of human society. These laws were formulated by historical materialism. Since society is a part of nature, it is governed by its most general laws formulated by dialectical materialism. It follows that society is continuously developing and changing in accordance with its laws. Society differs from all the rest of nature in that, to exist, it must produce material wealth. The laws governing the development of production are the basis of the development of society. This conclusion corresponds to the materialist approach to nature in general because it states that the development of society is determined by material production and not by consciousness. Contrariwise, consciousness in all its forms develops in accordance with the level of development of production. All the legal, religious, ethical, esthetic, philosophical and other ideas and the institutions which correspond to them—the state, religion, etc.—depend in their development on the level of production. The level of development of production also determines the relations forming in society, the structure and organisation of society.

Marxist Political Economy

Dialectical and historical materialism make up the first part of Marxism. Its second constituent part is political economy—the science dealing with the laws governing the

development of social production and distribution of the products, i.e., the basis of the life of society. Proceeding from the basic laws, governing the development of society and discovered by historical materialism, political economy shows how the level of development and the character of the productive forces determine the production relations of society, particularly the forms of ownership of the instruments and means of production and the relations to them of the different groups of people participating in the production process, the mode of appropriation of the products they produce and the share of the products they appropriate.

Primitive production in primitive society was associated with a primitive communal form of ownership, the labour product being distributed equally among all members of society. The appearance of metal instruments of labour gave rise to private ownership of the instruments and means of production called forth by the necessity to set apart a share of the products required for the maintenance of mental workers. Private ownership divided society into "haves" and "have-nots", the "haves" appropriating the results of labour of the "have-nots", and exploitation of man by man came into existence. The development of production was accompanied by changes in the forms of private ownership; slave ownership was established first and was followed by feudal and then capitalist ownership. The forms of exploitation changed correspondingly. Marx devoted particular attention to analysing capitalist society and showed its exploiter nature, which the bourgeois economists who praised the capitalist system failed to do before him.

Theory of Scientific Communism

Political economy is closely connected with the third constituent part of Marxism—the teaching on communism. Political economy shows that in the machine stage of its history capitalism develops social production which no longer corresponds to the private mode of appropriating the products. Capitalism is outliving itself and is gradually becoming a hindrance to social development, as did the slave and feudal systems in their time. Capitalism has to be replaced by a communist system which corresponds to the social nature of production.

On the basis of their analysis of capitalist society Marx and Engels discovered that building a new society is primarily in the interests of the proletariat which must, in one way or another, depending on concrete historical conditions, overthrow the rule of the bourgeoisie and establish a dictatorship of the proletariat. With the aid of the dictatorship of the proletariat the working class will replace the private form of ownership of the means of production by a social form of ownership and, with the support of the broad masses of working people, will gradually build a communist society. The true history of mankind will begin precisely with the building of a communist society because only then will man be able completely to satisfy his material and spiritual needs. In communist society all people will be harmoniously developed and the differences between mental and manual labour, between town and country, etc., will be eliminated.

REVOLUTIONS OF 1848-49 IN EUROPE

The *Manifesto of the Communist Party* appeared at the moment when a revolutionary situation was arising and the working class entered the arena of political struggle.

For many European countries the revolution had a common aim—destruction of the feudal and absolutist systems which impeded the development of capitalism. At the same time the revolutionary movement of 1848-49 pursued its own aims in each individual country. In France, where feudalism and absolutism had been done away with in the revolution of 1789-94, the objective aim of the revolution of 1848-49 was to overthrow the domination of the financial aristocracy and to establish the domination of the bourgeois class as a whole. In Germany and Italy the main object of the revolution of 1848-49 was to overcome the disunion in these countries and to form national states. Italy was additionally faced with the problem of liberating the north of the country from Austrian oppression. In Austria the aim of the revolution of 1848-49 was to abolish the Hapsburg monarchy and to free the oppressed peoples from national enslavement.

In France the problems of political power, democratic liberties and abolition of feudal survivals remained unsolved.

The government headed by Guizot stubbornly refused to carry out bourgeois-democratic reforms. The result was a revolution. One of the regular political banquets was set for February 1848, but the government prohibited it. That aroused the indignation of the masses, and barricades appeared in the streets of Paris. This time the government suffered utter defeat because the representatives of the bourgeoisie serving in the army sided with the people. King Louis Philippe had to dismiss Guizot and then abdicate.

As the result of the revolution a provisional bourgeois government was formed. In addition to representatives of the bourgeoisie it included representatives of workers who had actually won power on the barricades. The popular masses now demanded not only suffrage, but also the establishment of a "social republic". A so-called Luxembourg Committee was formed and was charged with the problem of labour. Louis Blanc, the chairman of the committee, suggested several schemes aimed at improving the conditions of life of the workers and peasants, including a scheme for setting up agricultural colonies and production associations, where people might work on co-operative principles, and a plan for building houses for workers with nurseries, public laundries, etc. The same committee engaged in settling conflicts between workers and capitalists.

The formation of the Luxembourg Committee was a concession to the revolutionary Paris proletariat by the bourgeois majority of the Provisional Government. On February 28, as the result of the continuous pressure of the masses, the government issued a decree on organising national workshops for the unemployed and on March 2 a decree on shortening the working day by one hour. And, although the Provisional Government pursued a policy in the interests of the bourgeoisie (almost all former taxes paid by the masses of the working people were retained, the big bourgeoisie was not taxed, and on March 16 the taxes of the peasants were increased 45 per cent), the presence of representatives of workers in the government greatly worried the bourgeoisie. The representatives of the bourgeoisie therefore strove to hold elections for the Constituent Assembly as soon as possible, hoping that its composition would be more reactionary, especially since the Provisional Government had left the old state machinery unaffected

and charged it with conducting the elections. Naturally, this machinery did its utmost to prevent the workers from electing their representatives to parliament.

The advanced workers of Paris realised the necessity for postponing the elections (in order better to prepare for them) and for reconsidering the composition of the Provisional Government. Representatives of the bourgeoisie began to intimidate the middle strata and the peasantry by an imaginary danger of a "communist plot". They misrepresented the ideas of communism by alleging that the communists advocated complete socialisation of all things, not only the instruments and means of production, but also the personal effects, and that they wanted everybody to eat out of one pot, have common wives, etc. The result of this anti-communist campaign combined with the direct pressure exerted on the working people was that of the 880 seats in the Constituent Assembly the workers received only 18.

It stands to reason that the Constituent Assembly did not satisfy the demands of the workers for taxing the big capitalists, organising a committee to control the actions of the government, withdrawing the troops from Paris, and helping the unemployed and the indigent. The Luxemburg Committee was disbanded, the workers' clubs were closed down and the national workshops ceased to exist. The bourgeoisie strove to get rid of the national workshops because they employed the politically most active part of workers. In connection with this it was announced on June 22 that after the dissolution of the national workshops all persons up to 25 years of age would be drafted into the army, while older people would have to go to the provinces to do earthwork. The latter order of the government disclosed its true intentions, and the workers decided to defend their rights by force of arms. The uprising lasted only four days and was brutally suppressed. Twenty-five thousand people were arrested. The uprising failed because the rebels did not have a single centre of leadership and had but weak connections with the peasantry and workers of other cities, while the army consisted of adherents of the bourgeoisie and completely sided with the government. The rebels numbered only between 40,000 and 45,000, whereas the government had troops numbering up to 300,000. But the uprising had played

an important role in that it was the first civil war between the proletariat and the bourgeoisie.

The defeat of the June uprising of the Paris workers was followed by reaction, namely, the money tax on publication of newspapers was increased, which made it impossible for the democratic elements to have their own press; the activities of the clubs where adherents of democracy gathered were subjected to strict control of the authorities; the decree on shortening the working day was repealed, and people were again thrown in prison for failure to pay their debts.

On November 12 a new constitution was announced; the constitution formally proclaimed the basic democratic liberties, i.e., freedom of speech, freedom of the press, freedom of assembly, etc., but considerably circumscribed them in practice. A post of President of the Republic was established; the President enjoyed enormous rights, including the right to appoint ministers and higher army officers, and was not answerable to parliament. In the person of the President the bourgeoisie wielded strong power over the people.

The first President of the Republic—Louis Napoleon—was elected December 20, 1848. Upon taking office he dismissed from the state machinery the democrats who had penetrated into it during the revolution. After a series of disturbances in 1849, when the democratically minded elements came out against the reactionary policies of the government, the Legislative Assembly introduced three-year residence qualifications and a number of other limitations with the result that close to three million workers were disfranchised. There was no unity in the Legislative Assembly, and after its severe defeat the proletariat could no longer actively participate in the social movement. The antagonistic groups of the bourgeoisie united against the democrats who also formed their association.

Under those conditions, on the night of December 2, 1851 Louis Napoleon announced himself the sole ruler of France, dissolved the Legislative Assembly and declared Paris in a state of siege. In an endeavour to safeguard himself against actions of the working class he brought troops in to Paris on the day of the coup, the troops occupying the most important points in the city. The separate attempts to oppose Louis

Napoleon were therefore easily suppressed. The Legislative Assembly announced his removal and impeachment, but could not do anything else.

Thus ended the revolution which gave the power to the big bourgeoisie and left unsolved the problem of bourgeois-democratic transformation of the country.

In 1848-49 revolutions also occurred in other European countries—Germany, Austria, Italy, Poland and Hungary. They all suffered defeat, not one of them completely solving the objective problems they were faced with. And yet none of the revolutionary battles of 1848 were in vain. They undermined the feudal relations and survivals in a number of countries, helped in the establishment and further development of capitalism, and contributed to the growth of the consciousness and the organisation of the proletariat.

In all the revolutions of 1848-49 the decisive role was played by the popular masses. The working class also actively participated in the revolutions. In 1848 the working class came out for the first time in the history of revolutions with its own political and economic demands and for the first time showed itself as a special class fundamentally hostile not only to the feudal, but also to the bourgeois system.

The most important reason for the defeat of the revolutions of 1848-49 was the treachery of the liberal bourgeoisie which had sided with the revolutions only to utilise the popular movement in its own narrow class interests. Frightened by the activity of the working class in the course of the revolutions the bourgeoisie entered into an agreement with the monarchy and the reactionary militarists, and betrayed the people.

FIRST INTERNATIONAL ORGANISATIONS OF WORKERS. THE INTERNATIONAL

The defeat of the revolutions in France, Germany and Italy was followed by a period of reaction. But the working class was no longer the former unconscious and unorganised class and did not want to be led by the bourgeoisie which betrayed it at every opportunity. The leaders of the proletariat—Marx and Engels and their adherents—learned serious

lessons from the defeats of the revolutions of 1848. The experience of the struggle of the proletariat confirmed the correctness of the theoretical conclusion drawn in the *Manifesto of the Communist Party* on the necessity of uniting the workers of all lands.

For this purpose Marx and Engels organised the International (September 28, 1864), the first international association of workers based on the Union of Communists founded as early as 1847. The Constituent Manifesto and Rules (drawn up by Marx) of the International Association of Workers, as the International was initially called, contained the basic propositions of Marxism on the working class and its main mission of winning political power by common efforts and of building a new society. The International was organised on principles of democratic centralism, i.e., election of all bodies from top to bottom and subordination of the lower bodies to the higher bodies. The International was divided into national sections which were supposed to pursue the single line of the International.

The very first steps of the International showed the workers its usefulness; if a strike was organised in one place or one country, the workers of other countries supported the strikers, kept strikebreakers away from there, etc. The International grew increasingly more popular with each passing day.

But the International also encountered quite a few difficulties in its activities. Many participants of the working-class movement did not understand scientific communism and were under the influence of various petty-bourgeois theories. For example, the workers were considerably influenced by the theories of Proudhon and Lassalle who advocated only an economic struggle against the bourgeoisie. Marx and Engels showed that a purely economic struggle of the working class might bring only temporary success, but could not change the conditions of the workers, could not abolish exploitation. Only the assumption of power by the working class and abolition of private property is the way to free the workers and all working people from the yoke of capitalism. However, Marx did not in any way deny the importance of the economic struggle of the workers; on the contrary, he held that this struggle was a constituent element of the class struggle of the proletariat.

He never advocated only violent revolutions, as it is incorrectly ascribed to him in the West, but held that with the existence of democratic liberties the working class could also assume power peacefully. Marx's adherents in the International therefore always strove to maintain close relations with trade unions and other organisations of the working class.

The importance of the International was enormous. It played an important role in linking socialism with the working-class movement and in elaborating common tactics of the proletariat in its struggle for emancipation.

The principle of proletarian internationalism is one of the foundations of the modern working-class movement.

Within the framework of the International Marxism prevailed upon all the petty-bourgeois trends in socialism. The International paved the way for the creation of mass working-class socialist parties on the basis of national states.

THE PARIS COMMUNE

Franco-Prussian War

The reactionary monarchic system could not last long in France because it hampered the solution of the basic problems of bourgeois-democratic transformations which had as yet been raised by the revolution of 1848. The new emperor Louis Napoleon showed himself totally incapable of ruling the country. The number of his adherents kept decreasing and he gradually lost all support in the country. In the 1869 elections to parliament his adherents received 4.5 million votes and his opponents only one million votes less. Sensing the increasing discontent and fearing a new revolution, Louis Napoleon decided on an adventure, i.e., a war with Prussia, in order thereby to divert the attention of the masses from the internal situation in the country.

On June 19, 1870 the emperor declared war on Prussia, but the army was poorly prepared for military operations, the soldiers and part of the officers did not want to fight, and the French therefore suffered one defeat after another. On September 2, the entire French army headed by the emperor was taken prisoner near Sedan. When the rumours of the

defeat of the army reached Paris the indignant masses came out into the streets, broke into the Legislative Assembly and overthrew the government. But only the bourgeoisie benefited by this coup and formed a new provisional government under the high-flown name of Government of National Defence with General Trochu at the head. The workers began to form their own organisations. Representatives of various working-class organisations met on the premises of the Paris sections of the International and decided to organise in the 20 boroughs committees of vigilance headed by the Central Committee. The Central Committee promised to help the government to organise the defence of Paris and at the same time proposed its own programme of action, namely mass arming of the people, dissolution of the police, and immediate elections to the Commune.

At that time the Commune was conceived in various ways; some people held that it would merely be a local body of Paris self-government, while others attached greater importance to it and regarded it as a new government body for the entire country. The government very well understood that the revolutionary workers of Paris must not be allowed to have their own elective government body and opposed the elections to the Commune in every possible way. It, nevertheless, allowed national guards to be organised in the districts. The people quickly responded to the slogan of "Defence of the Country" and began to join the battalions of the national guards being formed in all the 20 boroughs of Paris. Thus the Paris workers received arms, and their battalions numbered much more than was intended by the bourgeois government.

On September 18 the Prussian army approached Paris and besieged it. The workers fought bravely in the fortifications, but they saw that the government did not intend to satisfy their demands for increasing the production of arms, reducing the rent and general prices, improving the supplies, etc. They understood that the government was preparing for the elections to the Commune reluctantly and was betraying the country. That became obvious on October 30-31 when Metz, a first-class fortress city, was surrendered to the Germans together with a very big army. A demonstration of working people went with its demands to the place where the government was in session. However, this action was spontaneous,

and the government therefore quickly suppressed it and arrested many of its participants.

The action of the proletariat did not alter the government's policy. Trochu tried to come to terms with the Germans as soon as possible in order to have a free hand in the struggle against the revolutionary proletariat. He organised a provocative offensive at the front, which was doomed to fail, and then, in January 1871, urgently went to Versailles to meet with representatives of the German high command. The Germans demanded a large indemnity, cession of Alsace-Lorraine to Germany, and the quickest possible elections to the National Assembly.

The elections to the National Assembly were held in an atmosphere of organised baiting of Paris workers carried out by the entire French press, and the old imperial state machinery was used to conduct the elections. That was why the composition of the National Assembly proved reactionary. On February 17 Thiers assumed the leadership of the government and on February 26 made peace with Prussia. According to the peace terms suggested by the Germans, the German troops had to occupy certain Paris districts and stay there until they had received a definite part of the indemnity.

Assumption of Power in Paris by Workers

On learning that the workers of Paris and, primarily, the national guards decided to transfer the guns from the districts, which were to be ceded to the Germans, to the workers' blocks. By that time the national guards were well organised, had their Central Committee and a Federation of National Guards. On March 18, when Thiers tried, with the aid of the troops that remained loyal to him, to take the guns away from the guards, the working people came out into the streets and prevented it, while the Central Committee of the National Guards actually found itself in power. On the night of March 18, despite the government's resistance, the Central Committee of the National Guards decided to hold elections to the Commune. Thus began the glorious history of the Paris Commune. That was already a new power, the power of the proletariat.

The Central Committee of the National Guards elaborated its own programme which included elections to the Com-

mune, ties with the Communes of other cities, election of all officials, abolition of the police and the regular army (the bulwark of the bourgeoisie), vocational training, and abolition of the system of hired labour and pauperism. The Commune elected on March 28 began to carry this programme of action into effect.

About one-half the electors took part in the elections to the Commune. That attested the class character of the new power—the bourgeoisie boycotted the elections, and, contrariwise, the proletarians took a very active part in them. Eighty-six persons were elected, but some of them refused to work. Socially the Commune consisted of 28 workers, 8 employees and 29 professionals (journalists, etc.); politically there were 21 Blanquists (advocates of the seizure of power by the more conscious workers without drawing in the broad masses of working people) and 20 adherents of the petty-bourgeois economist Proudhon.

Measures Carried Out by the Paris Commune

After assuming power the Commune completely destroyed the old bourgeois state machine and replaced it by its own government bodies. The police was disbanded, the ministries were replaced by committees, the regular army was replaced by the national guards which were actually the armed people. The Commune also carried out a number of social measures, namely, the enterprises abandoned by their owners were turned over to the workers, night labour of bakers was prohibited, officials were paid no more than skilled workers, the vacant apartments were given to the families who needed them most, etc.

On seeing that a new power was being set up in Paris, Thiers began active preparations for its overthrow. He summoned from Paris to Versailles the troops loyal to the government and all officials, and received from Bismarck, the German chancellor, permission to reinforce the troops in Versailles.

On learning about the preparations in Versailles, the Commune decided to take action against the traitors of France. But it was already too late; as the result of the reinforcement of the Versailles troops, the attack of the

national guards on April 2-4 was repelled. The reorganisation of the Versailles army was finished on April 6. Former war prisoners of the Prussian army, who did not know anything about the Paris Commune, and some provincial battalions of the regular army also came to Versailles. Large forces of artillery and cavalry were concentrated, and Thiers launched an offensive.

The heroic defence of Paris lasted until May 28, 1871, when the Commune fell.

Reasons for the Defeat of the Paris Commune

The main reasons for the defeat of the Commune were that during the period under consideration the conditions for a proletarian revolution had not yet fully matured, i.e., capitalism continued to develop and the working class was not yet sufficiently prepared to assume power. The Paris Commune did not even advance the slogan of building socialism. The Paris Commune was headed by representatives of different parties among which there was no unity on a number of the most important questions of organisation of the new power. For example, the Proudhonists were for the most part interested in economic questions and considered it unnecessary to create a strong centralised proletarian state. The Blanquists, on the other hand, did not devote any serious attention to the organisation of the masses and to their economic needs. The absence of a single proletarian party was one of the most important reasons for the defeat of the Commune. None of the prominent leaders of the Commune fully understood the teaching of Marx and Engels and they had no idea of the laws of development of society and the class struggle; many of them advocated "collaboration" of the antagonistic classes.

The Commune was unable to form a union with the peasantry. The fall of the Commune was accelerated by its mistakes. The Central Committee of the National Guards hastened with the elections to the Commune before having dealt with its enemies, allowing the troops to leave Paris, and failing to organise an attack on Versailles when the latter was in a state of total confusion. The Paris Commune did not nationalise the National Bank and, as the result,

found itself in difficult straits; it did not establish firm relations with the provinces and did not elaborate a programme for solving the peasant problem.

The Commune was alone in its struggle against the bourgeoisie.

Historical Significance of the Paris Commune

The Paris Commune will always be remembered as the first-in-history attempt of the proletariat to assume political power, the first experience of a dictatorship of the proletariat. The experience of the Paris Commune was studied by the best revolutionaries of our time, revolutionaries who strove to deliver mankind from exploitation of man by man. Analysing the results of the Paris Commune Marx, who tried to help the Communards with his counsel, said that the Paris Commune showed that the bourgeois state machine must inevitably be destroyed in the course of a proletarian revolution, that it must be replaced by a dictatorship of the proletariat headed by a Communist Party, and that a study of the Commune's experience would subsequently make it possible to carry out a proletarian revolution successfully.

The Paris Commune was the summit of the development of the struggle of the working class in the 19th century.

Chapter 7

COLONIAL SYSTEM

FORMATION OF COLONIAL EMPIRES

Colonial Policy at the Period of Primary Accumulation of Capital

Although there had been colonies in antiquity, colonialism flourished under capitalism, especially during the period when this socio-economic system entered upon the last stage of its development, i.e., imperialism. Colonialism is historically circumscribed and is doomed together with world capitalism.

The history of colonialism is divided into three stages. The first stage belongs to the time of primary accumulation of capital. The second stage corresponds to the period of pre-monopoly capitalism, and the third stage corresponds to the period of imperialism. During the period of primary accumulation of capital the colonial policy of the European powers found expression in the seizure and plunder of many countries, inhuman exploitation of the native population, and establishment of a monopoly trade of European merchants with Asian, African and American countries. This policy resulted in an influx of enormous treasures—gold, silver and precious stones—to Europe. It favoured the development of commodity-money relations and accumulation of large sums of money by various individuals, which is an important prerequisite of capitalist production.

Spanish and Portuguese Conquests

Spain and Portugal were large colonial empires at the dawn of capitalist development. During their struggle against the Arabs the Portuguese penetrated to the North Coast of

Africa, capturing Ceuta in 1415. Later Ceuta served as their base for sea trade and colonial seizures. In the second half of the 15th century Portuguese seafarers discovered in Africa Cape Verde, the shores of Guinea (the Gold Coast), Cape of Good Hope, and the sea route to India around Africa. But those were not mere travels, for the aims they pursued were far from idyllic. In the newly-discovered territories the Portuguese built trading stations which were the centres of trade with the native population and military strongholds of the colonialists. In the first quarter of the 16th century the Portuguese established control over the western and partly eastern shores of India and over Malacca. Capturing the cities of Aden (at the junction of the Red Sea and the Indian Ocean) and Ormuz (in the Persian Gulf), the Portuguese closed the old trade routes to Alexandria through the Red Sea and from India to Syria through Mesopotamia. The Portuguese also seized a considerable part of the Sunda Isles, Indonesia and Brazil, and thus formed a vast colonial empire.

The Spanish colonial empire was being formed at the same time. The beginning of its formation dates from 1492 when Columbus discovered the Bahama Islands, Haiti, Cuba and the shores of South America. Soon afterwards the Spaniards launched their bloody conquests of the newly-discovered lands. Using "Christianisation" of the Indians as a pretext, the Spaniards invaded ever new territories where they resorted to all manner of violence, perfidy and deception. In 1519 Hernando Cortes, with a comparatively small force, conquered vast and rich Mexico which was under the rule of Aztecs. Following Cortes the Spaniards destroyed the states of the Mayas and broke the resistance of other tribes which inhabited the Mexican Plateau and Central America.

In 1532-35 another Spanish force commanded by brutal and ignorant Francisco Pizarro invaded Tiahuanaco (the state of the Incas). The possession of firearms and horses helped the Spaniards to win a victory here, too. The invaders resorted to deception and hypocrisy to achieve their aims as they had in Mexico. Hostilities between the Spaniards and Incas continued for several decades. The Spanish conquerors soon subdued the rest of the lands in South, Central and partly North America. Only Brazil and part of Chile were the exceptions; the former was occupied by the Portuguese

and in the latter the invaders met with the staunch and long resistance of the union of Araucanian tribes.

The colonial seizures of the Spaniards were accompanied by open robbery of the native people. Enormous treasures were taken from the Inca ruler Atahualpa and the Aztec ruler Montezuma. The Spaniards dug up ancient graves, demolished temples, destroyed fine works of art, and seized gold, precious stones and silver. The invaders either annihilated or enslaved the natives, forcing them to work in their estates, plantations and mines. The incredibly severe forms of exploitation resulted in a sharp decrease in the Indian population. During the Spanish rule close to eight million Indians lost their lives in the Bolivian silver mines alone. The colonialists therefore soon began to import African Negroes who were thereby also doomed to a life of hopeless slavery.

The Portuguese resorted to no less brutal methods of colonisation. They plundered and sank Arabian, Indian and Chinese vessels. From their trading stations in India and their island possessions the Portuguese attacked native tribes and laid them under tribute in the form of spices and other valuable tropical products which the Portuguese merchants then sold at exorbitant prices in European markets. The "trade" which the Portuguese carried on with the natives was a notorious swindle. For little trinkets and other things of negligible value the colonialists received enormous real values and made profits running into several hundred and even several thousand per cent.

All these factors of Spanish and Portuguese colonisation (opening of gold and silver mines, robbing the peoples of Africa, Asia and America of their material wealth, annihilation and enslavement of the native population, Negro slavery, and unequal barter) formed the essence of primary accumulation of capital. Such was the dawn of the era of capitalist production.

Colonial Rivalry of the European Powers

Spain and Portugal were the first colonial empires. Sharp colonial and sea-trade rivalry developed between the two countries. To avoid an open conflict, they concluded an agreement in 1529; according to the agreement the world

was divided in two halves, from pole to pole, the Spaniards having the right to seize colonies in one half and the Portuguese in the other. That was the first colonial division of the world. But the antagonisms between Spain and Portugal did not disappear and other invaders—Holland, England and France—began to appear in the world arena.

In the 17th century, crowding out Spain and Portugal, Holland became one of the largest colonial powers. Dutch conqueror-merchants had penetrated into India as far back as the end of the 16th century. A united East-India Company was organised in 1602 (it existed until 1798); the company had a monopoly right to trade in the Indian and Pacific oceans. The Dutch merchants and their hirelings enslaved the people of Indonesia and predatorily exploited the riches of this tropical country. They annihilated the "superfluous" (from the Dutch point of view) population of the islands and burned a mass of valuable products in order to keep up high prices.

In 1621 the Dutch set up the West India Company which conducted operations on the American continent.

In the middle of the 17th century the Dutch forced the Portuguese out of the southern part of Africa and founded their own colony—the "Cape Colony". In 1656 the Dutch crowded the Portuguese out of Ceylon. But Holland was predominantly a trading country with a less developed industry, and in the sharp rivalry between Holland and industrial England the latter gained the upper hand. In particular, as the result of Anglo-Dutch wars, the English took the place of the Dutch in North America. The English colonial rise was hindered primarily by the old colonial powers—Portugal and Spain. With the knowledge and approval of their government and without declaring war English warships attacked Spanish sea caravans sailing from America to Europe and looted them. The culmination of the Anglo-Spanish colonial and naval rivalry was the misfortune of the famous Invincible Armada (1588) destroyed by the English fleet. England rapidly became the "ruler of the waves". However, it was not this high-sounding title that the young English bourgeoisie needed. The rule of the waves was a means of achieving domination on land. By the 17th century England had completed the conquest of Ireland, begun as early as the second half of the 12th cen-

tury. England began to pursue a particularly aggressive colonial policy in the 1830s. England's colonial wars were openly predatory. The aim of those wars was to oust the rivals in the oppression of other peoples. France, where capitalist relations were also rapidly developing, was regarded by England as the main rival.

In the 17th and 18th centuries France formed its own colonial empire by seizing Canada, Indo-China and part of Indian territories. France had also set up an East-India Company, Senegal and other companies with the aid of which colonies were seized.

Trying to transform the seized countries only into agrarian appendages of the metropolis the English colonialists brought to the people of these countries oppression and poverty, a decay and stagnation of their economy. As the result of the war with Spain the English expanded their possessions in West-Indies and penetrated to Florida. The subsequent wars in the middle of the 18th century (War of Austrian Succession in 1740-48, and the Seven Years' War in 1756-63) brought England new colonial possessions; England seized the French colony in Canada and new territories in India. The seizures in India and the forcing of the French and other rivals out of these were effected mainly by the English East-India Company founded in 1600. In its perfidy, brutality and unsatiable greed the English East-India Company did not in any way differ from the Spanish conquistadors. For example, the conquest of Bengal was accompanied by a looting of its treasury, extortion of an enormous indemnity and heavy taxation of the entire population of the country. The company made wide use of slave labour by forcing Indian weavers to work without pay for the English. In the opium plantations the company used forced labour of the Indian peasants. As the result of the English domination in Bengal the latter suffered, already in 1770, a terrible famine which took a toll of seven million Indian lives. The representatives of young English capitalism acted with similar brutality in other Indian regions.

The East- and West-India companies of the European powers were characterised by the fact that they were private enterprises and enjoyed considerable state support. The navies and armies ensured the activities of these companies by force of arms. Subsequently they were transformed into

state organisations which continued to safeguard the interests of private capital.

One of the main "occupations" of the European colonialists was the slave trade. In Indonesia the Dutch had special secret prisons where kidnapped children were kept until they grew up and were sold into slavery. Africa became the slave-hunting reserve. The enslaved Africans were sold mainly to America.

Primary Accumulation of Capital in the Colonies

The colonial seizures of the period under consideration were an important factor in the process of primary accumulation of capital. However, primary accumulation in the colonies differed fundamentally from the same process in Europe.

Firstly, the values stolen by the colonialists were exported to the metropolis and were only there transformed into capital. Thus the formation of colonial empires fostered an influx of big capital to Europe where it was concentrated predominantly in the hands of trading companies which usually invested it in industrial production.

Secondly, the mass seizure of lands from the Indian peasants by the English, from the Indonesians by the Dutch, and from the American Indians and other peoples by the Spaniards did not lead to the rise and development of capitalist relations in the subjugated countries. The colonialists retained the tribal, slave-owning and feudal methods of exploitation and imparted a predatory character to them. The predatory exploitation resulted not only in plunder of the colonies, but also in annihilation of millions of people. The famine of 1770 in Bengal, which was a result of English management, carried one third of the country's population to the grave. According to the evidence of Las Casas, Spanish Dominican missionary and political figure, Puerto Rico and Jamaica had had about 600,000 Indian population at the time the Spaniards had appeared; 33 years later the population numbered only about 400,000. The Indian population decreased catastrophically also in the other regions of America seized by the Spaniards.

Thirdly, in most colonies the labour of the community members, slaves and serfs, was not replaced by the labour of

wage-workers during the period of primary accumulation of capital and was accompanied by considerable economic regress.

Results of the Colonial Policy During the Period of Primary Accumulation of Capital

The most important results of the colonial policy during the period of primary accumulation of capital were that the plunder, robbery, slave trade, annihilation of whole nationalities and tribes, wars and forced labour of the native serfs and slaves fostered intensive accumulation of capital in the hands of the European colonialists. The colonial system led to development of trade and ensured a market for the newly-arising manufactories.

One of the most important results of the period of primary accumulation of capital was that the great geographical discoveries led to formation of a world market. In the 18th century it had not formed as yet, but the existence of colonial empires helped in its formation. The exploitation of the colonies stimulated the growth of the industrial power of the capitalist states, while in the colonies themselves it impeded and, in a number of cases, hurled back the development of the productive forces and social relations.

During the period of primary accumulation some of the largest Asian states, for example China, Iran and the Osman Empire, also became objects of plunder and exploitation, although formally retaining their independence.

By the end of the 18th century the superiority of England over the other colonial powers became very obvious; France and Holland, to say nothing of Spain and Portugal, increasingly lagged behind England in their socio-economic development because of their feudal and absolutist regimes.

By the time of the Great French Bourgeois Revolution the old forms of colonial exploitation were already outliving themselves. Pure swindle, open violence, monopoly domination of trading companies and unequal barter—all these forms of exploitation characteristic of undeveloped capitalism no longer yielded the desired wealth. By the end of the period of primary accumulation of capital numerous monopoly trading companies discovered their insolvency, experienced a chronic deficit and failed. This was particularly

manifest in the French companies, but was also felt in the Dutch and English companies. The continuous uprisings of the subjugated peoples and slaves also dictated the necessity of changing to new methods of exploiting the colonies.

COLONIAL SYSTEM DURING THE PERIOD OF PRE-MONOPOLY CAPITALISM

French Revolution and the Colonies

The bourgeois revolutions did not bring liberation to the peoples of the colonies and semicolonies. Even the circumscribed liberties which had been won by the working people of the parent states did not spread to the colonies and the dependent countries. "Liberty, Equality and Fraternity" and the "Rights of Man and Citizen", engendered by the Great French Bourgeois Revolution, did not apply either to the Negroes of Senegal, nor to the mulattos of West-Indies, nor yet to the Indians. Moreover, having overthrown the feudal class, the bourgeoisie used political power not only to suppress the working people of the parent states, but also to seize new colonies and to enslave them. For example, Napoleon, who expressed the interests of the bourgeoisie, very clearly aimed at establishing France's world colonial hegemony in the struggle against the chief competitor—England. His plans included the seizure of Egypt, India, Iran, Afghanistan, Turkey and Latin America.

The fall of the Napoleonic empire signified the crash of all hopes of the French bourgeoisie to world colonial supremacy, but did not in any way attest the cessation of Anglo-French colonial rivalry. Another serious opponent of England—Russia—made its appearance in the colonial arena. Russia had already begun to threaten the gem of the English crown—India—from the north. The interests of Russia and England also began to clash in the Far East.

Formation of a World Market and the Change in the Methods of Colonial Exploitation

As the result of the bitter rivalry among the chief world powers the "free", i.e., as yet unseized lands rapidly decreased. The entire world was being drawn into the orbit of capitalist relations. The events in Africa, Argentina and

the Hawaii began to interest London, Paris and Washington. The history of each country was now linked by hundreds of threads with the histories of other countries.

The economic basis for the rise of a single world historical process was the formation, by the end of the 1850s, of a world market. That signified that bourgeois society had accomplished its objective mission, although capitalism continued to develop along an ascending line for about another 15 years.

In the 1850s the industrial revolution was in the main completed. A problem of marketing a large quantity of industrial commodities and of obtaining raw materials for their production had now arisen. The industrial revolution had engendered unprecedented means of communication and conveyance. The formation of the world market, the growth of trade, the appearance of a new form of transport—railways—and the incessant struggle of the oppressed peoples determined the transition to new forms of exploitation of the colonies and semicolonies. The countries of Africa, Asia and Latin America were transformed into markets for the industrial commodities of the industrial countries and sources of raw materials and foodstuffs. The robbery of the colonial and weak peoples continued in a new form—"free trade"—although the methods of savage robbery did not completely disappear. "Free trade" naturally spelled the collapse of the monopoly of trading companies typical of the period of primary accumulation of capital, the collapse of the policy of protectionism.

Influence of "Free Trade" on the Economy of the Colonies

The import of large quantities of goods to the oppressed countries enlivened the commodity-money relations in them. The local feudal lords and tribal chiefs began to use the market increasingly more often. The result of that was an intensified exploitation of the peasantry, its pauperisation and often ruination. Under the direct pressure of foreign capitalists, the colonial administration and the country's own feudal lords, middlemen and usurers, peasants had to produce raw materials and foodstuffs for the capitalist market and sell them at uncommonly low prices. The slightest fluctuation in

the capitalist market affected the conditions of the peasants in the colonies and semicolonies.

The flooding of the colonies and semicolonies with large quantities of industrial commodities from the parent states led to a decline of the local handicrafts and manufactories which were, of course, unable to compete with the industries of the advanced countries. Thus the marketing of the articles manufactured in the parent states impeded the industrial development of Asia, Africa and Latin America. Local trade declined together with the handicrafts. Not only the peasants and handicraftsmen, but even the local bourgeoisie was becoming impoverished, except the part of the bourgeoisie which began to play the role of an intermediary in the trade between the colonialists and the subjugated peoples (the so-called comprador bourgeoisie).

"Free trade" was the main, but not the only method of exploiting the colonies. Capitalism also developed a system of plantation economy (West-Indies, Indonesia, India, etc.) and organised land plunder of the colonies and their settlement by way of "free" colonisation (Algeria, South Africa, etc.).

In the countries of plantation economy the English and French colonialists had to abolish slavery which had completely outlived itself, was unproductive and was incapable of making the plantations more profitable. But even after the abolition of slavery the former slaves and the new contract-workers from China and India were subjected to monstrous exploitation, continued to live under inhuman conditions and died en masse of starvation and disease. Whereas after abolition of slavery the English and French planters used a system of labour contracts, the Dutch colonialists in Indonesia, where the local population was employed as labour power, introduced a system of forced labour. Usually 5-10 villages were attached to an enterprise which processed raw material. The population was forced to supply the enterprise with raw material and labour power.

During the period of pre-monopoly capital, when the main form of economic relations between the parent states and the colonies was "free trade", capitalist relations did not as yet develop in the colonies. At the same time, having been drawn into world trade, the colonies were becoming an exploited part of the forming world capitalist system.

Chapter 8

IMPERIALISM

IMPERIALISM AS THE HIGHEST STAGE OF CAPITALISM

Development of Pre-Monopoly Capitalism into Imperialism

A transition from pre-monopoly capitalism to imperialism was effected during the last third of the 19th century. Monopoly capitalism, or imperialism, is the highest and last stage of capitalism. Imperialism took final shape at the turn of the 20th century.

At the end of the 19th century considerable technical changes occurred in metallurgy, chemistry and engineering, while industrial production increased and became concentrated. The appearance of new methods of metal smelting (Bessemer, Martin and Thomas) gave rise to large steel mills and metal-working plants. The increased steel output made possible further development of engineering and railway construction. The growth of industrial production and development of the transport were fostered by discoveries and inventions of new types of engines: dynamo, internal-combustion engine, steam turbine, Diesel, tramcar, automobile, Diesel locomotive and aircraft.

Whereas branches of the light industry, mainly textile, prevailed in industrial production in the middle of the 19th century, towards the end of the 19th century the leading role was played by the heavy industry, predominantly metallurgy and engineering, mining, chemistry, and power industry with its massive equipment and large plants whose purchase and construction required big capital. In 1870 the steel smelted in the world amounted to 500,000 tons, whereas in 1900 it reached 28 million tons, i.e., increased 56-fold. During the

same period the oil output increased 25 fold, from 0.8 million tons to 20 million tons.

The development of the productive forces and production relations during the period of pre-monopoly capitalism paved the way for the transition to imperialism. During the first half of the 19th century the capitalist mode of production prevailed only in some of the most developed countries of Western Europe, namely, England, France and the Netherlands. In the 1860s-70s capitalism began to develop rapidly in the U.S.A., Germany, Russia and Japan. The development of capitalism in these countries was stimulated by abolition of slavery in the U.S.A. in 1863, abolition of serfdom in Russia in 1861, the bourgeois revolution of 1867-70 in Japan, and the unification of Germany in 1871.

Main Features of Imperialism

Imperialism is characterised by the following main economic features:

1. Concentration of production and capital that have led to creation of monopolies which play a decisive role in economic life.
2. Merging of banking and industrial capital and creation on the basis of this of "finance capital", of a financial oligarchy.
3. Export of capital, as distinguished from the export of commodities, acquires particular importance.
4. Formation of international monopoly unions of capitalists which divide the world among them.
5. Completion of the territorial division of the world among the biggest capitalist powers.

Concentration of Production and the Monopolies

Pre-monopoly capitalism was characterised by free competition. The prevalence of free competition made for rapid concentration of production in increasingly larger enterprises. Ruining some people and enriching others, free competition resulted in the concentration of production, i.e., in an increased number of large enterprises as against the total number of enterprises, and their greater share in the total output, as well as in concentration of an increasingly bigger part of

labour power and production capacities at the large enterprises.

In 1909 the largest enterprises with an output of more than one million dollars' worth of production in the U.S.A. constituted 1.1 per cent of the total number of enterprises. These enterprises employed 30.5 per cent of all the workers and put out 43.8 per cent of the gross industrial production. It follows that more than two-fifths of the country's total production was concentrated in but one per cent of all the enterprises.

Subsequently the concentration of production increased still more. In 1939 the largest enterprises with an output of more than one million dollars' worth of production constituted 5.2 per cent of the total number of enterprises. They employed 55 per cent of all the workers and put out 67.5 per cent of the gross industrial production.

Concentration of production paves the way to the domination of monopolies. The resultant enormously large enterprises do not find it particularly difficult to come to terms.

It is in the replacement of free capitalist competition by the domination of monopolies that the economic essence of imperialism lies. Monopolies are the largest capitalist enterprises, associations or alliances of capitalist enterprises which have concentrated in their hands the production or marketing of the bigger part of production of the given branch of economy. Characterised by economic power and the enormous role they play in the given field of production the monopolies fix monopoly prices and obtain high monopoly profits.

Basic Forms of Monopolies

The basic forms of monopolies are cartels, syndicates, trusts and corporations.

A cartel is an alliance of large capitalist enterprises. Its participants agree on the conditions of sale of their goods, the purchase of raw materials and dates of payments, divide the markets among themselves, fix the prices on the goods produced and the raw materials purchased, decide on the quantity of goods to be produced by each participant, etc. The enterprises belonging to a cartel retain their independence.

A syndicate is a monopolist alliance of enterprises, in which the participants lose their commercial independence. The goods are produced independently, but their sale and sometimes the purchase of raw materials are effected through a common office.

A trust is a monopolist association in which all the enterprises belonging to it lose their production and commercial independence and merge into a single enterprise, while their owners become share-holders and receive profits according to the number of shares they hold. The management of the production, financial and commercial activities of a trust is effected by a board elected by a meeting of the share-holders. The persons elected to the board of a trust are usually holders of a large block of shares. After the passage of the antitrust law in the U.S.A. in 1911, the trusts began to call themselves companies. For example, Rockefeller's giant oil trust, Standard Oil, divided itself into several companies—Standard Oil of New Jersey, Standard Oil of California, etc. All these companies are controlled by the Rockefellers.

A corporation is a monopolist association of enterprises of different branches of industry, banks, commercial firms, transport and insurance companies based on common financial interests and common financial dependence on a group of big capitalists who effect control over the enterprises belonging to the concern.

In the U.S.A. the electric industry is controlled by the General Electric Corporation, the aircraft industry is controlled by the Douglas Aircraft Company, the aluminium industry—by the Mellon concern, and the chemical industry—by Du Pont de Nemours and Company. In the automobile industry in 1956 only two monopolies—the General Motors Corporation and the Ford Motor Company—produced and sold 80 per cent of the automobiles. In each of the 43 branches of the manufacturing industry four corporations concentrate in their hands more than 75 per cent of the output, while in 102 branches of industry four of the biggest monopolies turn out from 50 to 75 per cent of the gross production.

The monopolies not only fail to eliminate the competition but, on the contrary, make it more fierce and destructive. The competitive struggle is waged between monopolist associations, within them, and between the monopolies and

non-monopolised enterprises. Various methods of pressure, to the point of ruin by commercial machinations, are used against those who do not yield to the monopolies. In the bitter struggle among the monopolies all unfair means are used: bribery, violence, blackmail, sabotage and other criminal offences to the point of physical annihilation of the rivals.

Finance Capital and the Financial Oligarchy

During the period of imperialism an important role is played by banks which actively invade the sphere of production. Banks are special capitalist enterprises whose basic and initial function is to be intermediaries in payments. They collect free money capital and incomes in the form of deposits and lend money capital to proprietors. The banks pay less interest on the deposits than they get on their loans. The difference between the interest a bank takes for a loan and the interest it pays on deposits forms the banking profit.

The competitive struggle among banks leads to failure of small banks and their absorption by large banks. Some of them, retaining their formal independence, are transformed into branches of the biggest banks.

While the financial operations increased, the total number of banks in the U.S.A. decreased from 30,419 in 1921 to 14,243 in 1955. The share of the 10 biggest banks in the financial operations throughout the country increased from 10 per cent in 1923 to 21 per cent in 1955. In New York the share of the deposits in four of the biggest banks increased from 21 per cent in 1900 to 60 per cent in 1955. In ten of the 16 leading financial centres of the U.S.A. four banks concentrate more than 50 per cent of the assets of all commercial banks. In nine of these financial centres two banks own 60 per cent of the assets. The Bank of America National Trust and Savings Association in San Francisco; the First National Bank in Boston, and the Mellon National Bank and Trust Company in Pittsburgh, each controls more than half the assets in the respective city.

In 1936 five of the biggest banks in England concentrated on their accounts 74.6 per cent of the total sum of deposits of all of the country's joint-stock banks; in 1937 they already had 77.3 per cent.

The concentration and centralisation of banking leads to formation of banking monopolies. From modest payment intermediaries the banks develop into all-powerful monopolists. They control almost all the money capital and the savings of the population. They establish closer relations with industrial enterprises, control their work through credits and grant them long-term loans. They buy shares of industrial enterprises and become their co-owners. The owners of industrial enterprises in their turn become co-owners of banks by owning some of their shares. The coalescence of the capital of banking and industrial monopolies gives rise to finance capital. The interlacing of monopoly banking and industrial capital manifests itself in personal unions, associations and alliances of the heads of industrial and banking monopolies. The same persons become the heads of the boards or directors of industrial and banking monopolies. For example, Richard Mellon, one of the members of the Mellon financial group, is simultaneously the chairman of the Mellon National Bank and Trust Company and director of four more companies—the Gulf Oil Corporation, Aluminium Company of America, General Motors, and Pennsylvania Railroad.

In 1955 the biggest banks in the U.S.A. had their representatives in the directorates of other companies; J. P. Morgan and Company had representatives in 92 companies; the Chase Manhattan Bank—in 104 companies, the First National City Bank—in 115 companies, the Guaranty Trust Company—in 91 companies, and the Bankers' Trust—in 84 companies. In 1951 the directors of the five biggest English banks held 1,008 director's posts in other companies.

During the period of imperialism all spheres of life are dominated by a small group of the biggest financial magnates who exercise control over the country's economy and politics. This small group of bankers and monopoly industrialists constitute an all-powerful financial oligarchy (from the Greek word *oligarchia* meaning power vested in a few).

One of the basic forms of domination of the financial oligarchy in the economy is the system of participation, which is as follows: a financial magnate or group of financial magnates who own the control block of shares in the main joint stock company—the "parent" company—uses the capital of this company to buy up the control block of shares of

other joint-stock companies—"daughter" companies. These "daughter" companies in a similar manner own the control block of shares in the "granddaughter", "great-granddaughter", etc., companies.

By means of multi-stage financial dependence big financiers control a capital which many times exceeds their own. In 1955-56 the biggest financial groups in the U.S.A. controlled the following capital: Morgan with his own capital of 7,000 million dollars controlled a capital of 65,300 million dollars; Rockefeller with his own capital of 3,500 million dollars controlled a capital of 61,400 million dollars; Du Pont with his own capital of 4,700 million dollars controlled a capital of 16,000 million dollars; Mellon with his own capital of 3,800 million dollars controlled a capital of 10,500 million dollars.

The greatly ramified system of participation fosters a tremendous increase in the power of the financial magnates. It enables the monopolists to carry out all sorts of machinations and to fleece the small share-holders. The reason for it is that the "parent" joint-stock company is legally in no way responsible for the "daughter" company which is considered independent. In the U.S.A. eight oligarchic groups—the Morgan, Rockefeller, First National City Bank, Du Pont, Mellon, Bank of America, Chicago and Cleveland groups—dominate in the country's economy. The assets they controlled in 1955 amounted to 218,500 million dollars.

The bosses of the financial oligarchy are the Morgans and the Rockefellers. The sphere of influence of the Morgans includes five of the biggest banks, 14 railway companies, the United States Steel Corporation, the General Electric, the American Telephone and Telegraph Company, the American Gas and Electric Company, etc.

The sphere of influence of the Rockefellers includes the Chase Manhattan Bank, the Metropolitan Life Insurance Company, the oil monopolies—Standard Oil Company of New Jersey, Socony Mobil Oil Company, Standard Oil Company of Indiana, Standard Oil Company of California, Standard Oil Company of Ohio, etc.

The overwhelming mass of wealth is concentrated in the hands of a few financial magnates—the uncrowned kings of steel, oil, railways, the bourgeois press, cinema, banks, etc. In the U.S.A. one per cent of the population owns 59 per

cent of the country's wealth. In England less than two per cent of owners hold in their hands 67.5 per cent of the country's wealth.

The financial oligarchy rules the bourgeois state. The key positions in the politics of the bourgeois countries are controlled by the biggest monopolists.

The financial oligarchy exercises control over the state power, determines the composition of the government and the country's internal and foreign policies.

The financial oligarchy uses the state power to suppress the working-class movement in the parent states and the national-liberation movement in the colonies. The bourgeois press, radio, cinema and television serve its interests. With the aid of an obedient propaganda machine the oligarchy falsifies public opinion, spreads chauvinism and racial and national discrimination, bribes a small upper section of the working class and makes it serve its interests.

Export of Capital

One of the main economic features of imperialism is the export of capital. Export of goods was typical of pre-monopoly capitalism when free competition had undivided sway. Under monopoly capitalism foreign trade continues to expand, but the export of capital acquires exceptional importance.

During the period of monopoly capitalism the export of capital becomes the main instrument of systematic exploitation of the greater part of the world by a handful of economically developed capitalist countries. Vast amounts of "surplus capital" arise in a number of capitalist countries.

Under imperialism the domination of monopolies with their enormous concentration of capital, and the development of joint-stock companies and banks which concentrate vast amounts of the population's free money give rise to "surplus capital" in a number of capitalist countries. This "surplus capital" is conditional and relative. The living standards of the masses of people under capitalism remain comparatively low, while agriculture, which greatly lags behind industry, is very much in need of money for its development. But monopoly capitalism cannot use the "surplus capital" to raise the living standards of the people because that would reduce the profits of the monopolists.

In pursuit of higher profits the monopolies export capital. In the beginning of the 20th century capital was exported mainly to the backward, colonial and dependent countries where the scarcity of capital, low land prices, low wages and cheap raw materials ensured fabulously high profits.

Capital is still being exported to underdeveloped countries. Between 1946 and 1960 the U.S.A. withdrew from Latin American countries 8,800 million dollars of profits, whereas the new American direct private capital investments in Latin America during the same period amounted only to 4,500 million dollars.

Export of capital from one highly-developed capitalist country to another has been rapidly developing in recent years because of intensified competition and the difference in wages.

Capital is exported in two basic forms: firstly, as productive capital consisting in investments in industry, agriculture, transport, etc., and, secondly, as loan capital, i.e., loans to governments and private credit. Despite the different forms of export of capital its exporters pursue the same aim, namely, to obtain high monopoly profits.

Both private and state capital may be exported. In the beginning of the 20th century the export of capital was almost entirely private business. Today state capital amounts to about half the total export of capital and continues to increase because private capital prefers to take no risks in connection with the increasing danger of nationalisation in the liberated countries. Imperialist states use export of capital to extend the old and seize new sources of raw materials, markets and spheres of capital investments, and to effect economic, political and military-strategic expansion.

Economic Division of the World among Groups of Capitalists

The monopolies—trusts, syndicates and cartels—establish their domination in the home market and divide the market among themselves. Foreign investments enormously extend the spheres of influence and the foreign relations of the biggest monopolies. Groups of monopoly capitalists of various countries develop into monopoly associations which come to dominate in the markets of many countries. The monopolies of various countries become international monopolies. Inter-

national monopolies are monopolies of different countries, reaching beyond national borders, or agreements among national monopolies of different countries.

In 1897 there were 40 international cartels, in 1910 there were 100, whereas before World War II there were about 1,200 of them. They controlled more than 40 per cent of the foreign trade of the capitalist world. The steel, rail, oil, aluminium, aniline dyes, nitrogen, copper, tin, and rubber cartels are the biggest international monopolies. After World War II the bourgeois states actively helped to create big international monopolies. One of them is the European Coal and Steel Community, and its members are the F.R.G., France, Italy, Belgium, the Netherlands and Luxemburg.

The apologists of imperialism assert that monopolies are allegedly instruments of peace and that their participants can presumably settle the contradictions arising between imperialist groups and countries peacefully. Such assertions are at variance with facts. Under capitalism both the foreign and the home market are divided according to strength, according to capital. The uneven development of the capitalist countries and of the different monopolies gives rise to constant changes in the correlation of forces within the international monopolies. Each side wages a continuous struggle to increase its share and to extend its sphere of monopoly exploitation. As Alfred Mond, owner of the British Imperial Chemical Industries Trust, openly declared in 1927, the cartel or combination is in reality nothing more than an armistice in industrial warfare.

The formation of international monopolies does not mean a cessation of the struggle for the division of the world or a transition to peaceful co-operation among the imperialist states, but a sharpening of the struggle among them for markets, sources of raw materials and spheres of capital investments.

Completion of the Territorial Division of the World among the Great Powers and the Struggle for Its Redivision

Along with the economic division of the world between alliances of capitalists there takes place a territorial division of the world among the imperialist states. At the end of the 19th and the beginning of the 20th centuries the territorial

division of the world among several Great Powers was already completed.

Between 1876 and 1914 the colonial possessions of six Great Powers (Britain, Russia, France, Germany, U.S.A. and Japan) increased from 40 million to 65 million sq km, i.e., more than 50 per cent. In 1876 Germany, the U.S.A. and Japan had no colonies at all, and France had practically none. By 1914 these four powers had acquired colonies having an area of 14 million sq km, which is about one and a half times the territory of Europe.

The importance of colonies for the imperialist powers has greatly increased. The domination of monopolies is more secure when all sources of raw materials are concentrated in their own hands. Not only the already discovered sources of raw materials, but also the potential sources are important for finance capital. The rapid development of science and engineering transforms the lands unsuitable today into lands suitable tomorrow. For example, in the Sahara, which was long considered a barren desert, oil has been discovered, and French monopolies are already making considerable profits on it. That is precisely why France, although forced to recognise the independence of Algeria, does not want to give up the Sahara oil. Imperialist countries strive to extend the economic territories they control and to seize new territories.

The possession of colonies provides for the imperialists a sphere of capital investments and a market for their industrial commodities, in which it is easier to eliminate competitors. Colonies are also very important for imperialist powers as military bases. Moreover, the military bases of imperialist states on the territories of colonies facilitate their control of these territories.

The completion of the territorial division of the world ushered in the period of struggle for its redivision. It was now possible to obtain new colonies or spheres of influence only by wresting them from other colonial powers.

Not only the two main groups of countries—the possessors of colonies and the colonies themselves—are typical of imperialism; there are also dependent countries, formally politically independent, but, in fact, entangled in nets of financial and economic dependence. In the beginning of the 20th century such countries were China, Iran, Turkey and most of the Latin American states.

Colonial System of Imperialism

With unprecedented cruelty, often using the most perfect instruments of death against the defenceless peoples of many countries, the imperialists subjugated the population of vast states and whole continents. Towards the beginning of the 20th century the greater part of Asia and Latin America, and all of Africa and Australia were transformed into colonies, semicolonies and countries dependent on imperialists; thus the colonial system of imperialism was created.

Imperialism uses the colonial and dependent countries as agrarian and raw material appendages of the metropolitan areas, spheres of capital investments, and markets. Before World War II the colonies and semicolonies turned out 97 per cent of the rubber, more than 96 per cent of the tin, 95 per cent of the nickel, 82 per cent of the gold, 70 per cent of the silver, 64 per cent of the copper, 99 per cent of the jute, 97 per cent of the ground-nuts and 67 per cent of the wool produced in the capitalist world. Usually the imperialist countries acquired these raw materials as a result of unequal barter, buying them below cost in colonial and dependent countries, and selling industrial commodities above cost. The imperialist powers exploit the working people of the colonies and dependent countries by exporting capital and by unequal barter, i.e., by exporting industrial commodities to these countries at high prices and importing raw materials from them at low prices.

According to Victor Perlo, American economist, in 1943 the direct profits received by U.S. monopolies from dependent countries amounted to 7,500 million dollars, including 1,900 million dollars of recognised returns on investments, 1,900 million dollars on transport, insurance, etc., 2,500 million dollars on sales above cost and 1,200 million dollars on purchases below cost.

To obtain high monopoly profits, monopoly capital combines imperialist plunder with feudal forms of exploitation of the working people. Imperialism retains the survivals of feudalism and the slave system and introduces forced labour in the colonies and dependent countries. The colonies and dependent countries serve as a highly profitable sphere for application of capital of the imperialist states.

In 1958 the rate of profit received by the oil companies was 19 per cent in the U.S.A., 25 per cent in South America, and 75 per cent in the Middle East. In 1948 the rate of profit received by the General Motors (American automobile monopoly) was 25 per cent in the U.S.A., and 50 per cent on its investments abroad.

The investments of the imperialist states in the colonies and dependent countries are made mainly in the mining industry and agriculture. A considerable part of the foreign investments of capitalist states in undeveloped countries goes to the mining industry, especially for extraction of oil and mining of iron ore, tin, nickel, aluminium, copper, uranium, cobalt and other non-ferrous and rare metals.

Bourgeois economists have advanced a theory of so-called decolonisation. According to this theory, the colonies and dependent countries can, presumably without the national liberation movement against imperialism and colonialism and with the aid of capital investments by imperialist states, develop their industries and achieve economic and political independence. But this is at variance with facts. The experience of the historical development of the Asian, African and Latin American countries shows that only the national liberation struggle makes it possible to win political independence, which is the first and foremost prerequisite for complete independence. The foreign investments of imperialist states do not, as a rule, help to liquidate the economic backwardness of colonial and dependent countries. Only a negligible part of the foreign investments is made in engineering and the heavy industry in general, and that as the result of the pressure brought to bear by the countries which have won political independence.

The investments of imperialist states in colonial and dependent countries cripple the economy of these countries by making it one-sided. The former colonies and dependent countries are characterised by one-crop specialisation. For example, the economy of Saudi Arabia, Kuwait, Iran and Venezuela is based on oil, that of Malaya—on rubber and tin, Bolivia—tin, Brazil—coffee, Sudan—cotton, Senegal—ground-nuts, Gabon—manganese and valuable varieties of wood, etc.

While the export of capital accelerates the development of capitalism in economically undeveloped countries, it simultaneously leads to subjugation and subordination of

their economy to the economically developed countries. Only the national liberation struggle of the peoples of colonial and dependent countries against imperialism enables them to win political independence and then to develop their industry and other branches of the economy, to develop their public education, train their technical intelligentsia, and raise the living standards of the people.

HISTORICAL ROLE OF IMPERIALISM

Imperialism is a special historical stage of capitalism. It is monopolistic, decaying and moribund capitalism.

Imperialism Is Monopoly Capitalism

Economically imperialism is monopoly capitalism. It is the continuation and development of the basic properties of capitalism, and the economic laws of capitalism in general therefore remain valid under monopoly capitalism. During the period of imperialism the operation of the economic laws of capitalism leads to aggravation of all its contradictions, especially its basic contradiction, i.e., the contradiction between the social nature of production and the private capitalist form of appropriating the results of production. Monopolies bring socialisation of production to the very limit possible under capitalism, but the means of production continue to be privately owned by the bourgeoisie. To obtain high monopoly profits, the monopolists intensify the exploitation of the proletariat and thereby reduce the purchasing power of the population. The contradictions between the increased productive forces and the narrow framework of the capitalist production relations can be settled only by a socialist revolution.

During the period of imperialism extensive development is given to the state-monopoly capitalism. The capitalist state directly interferes in economic life in the interests of the financial oligarchy and carries out various regulatory measures, including nationalisation of certain branches of the economy. Whereas under pre-monopoly capitalism the state is a committee for managing the affairs of the entire bourgeoisie, during the period of imperialism the state actually

becomes a committee for managing the affairs of the monopoly bourgeoisie. This leads to a sharpening of the contradictions between the monopoly bourgeoisie and all strata of the people, including the petty and middle bourgeoisie.

Imperialism Is Decaying Capitalism

The decay and parasitic nature of capitalism in its imperialist stage express themselves in a general retardation of the growth of production, a tendency to stagnation with a simultaneous growth of production in individual branches of industry of various capitalist countries, impeded progress of engineering and its one-sided and uneven development, and failure to utilise the enormous possibilities offered by modern science and technology. The decay and parasitic nature of capitalism during the period of imperialism manifest themselves in the presence of a large stratum of rentiers, rentier states, chronic underloading of the production capacities and existence of constant mass unemployment, thriving of militarism, increase in parasitic consumption by the bourgeoisie, reactionary domestic and foreign policies of the imperialist states, and bribery of the small upper stratum of the working class by the bourgeoisie of the imperialist countries.

Monopolies by their very existence engender a tendency to stagnation and decay. Owing to their domination under imperialism the monopolies are in a position to fix monopoly prices and to maintain them artificially at a high level. As the result of this the manufacturers are not always interested in making use of inventions and in replacing obsolete equipment with more modern equipment.

Under monopoly capitalism the gap between the potentialities of science and technology, as sources of increasing the wealth of human society, and the extent of utilisation of these potentialities greatly increases. Many capitalist monopolies buy up patents in order that the inventions may never see the light of day. For example, General Motors uses but one per cent of the patents it owns.

The tendency to decay does not mean that under imperialism there is no development at all. Monopoly engenders stagnation, but competition, which also exists under imperial-

ism, impels the capitalists constantly to introduce the latest scientific and technical achievements into production in order that they may sell their goods cheaper than do their competitors and that they may earn higher profits. That is why technology rapidly develops under imperialism in a number of branches, especially new ones.

The tendency to decay and the tendency to technical progress continuously clash. Now one tendency wins and now the other, and this only increases the unevenness of development typical of capitalism.

The decrease in the rates of growth of industrial production is an indication of the decay of capitalism. In the U.S.A., for example, the growth of industrial production barely keeps ahead of the increase in population. Thus between 1953 and 1960 the annual increase in population was about 2 per cent, whereas the average annual increase in production was but 2.4 per cent. In 1961 the increase in production (less than 1 per cent) was less than the increase in population (1.5 per cent).

The parasitic nature of capitalism expresses itself in the growth of militarism. An enormous part of the national income, and mainly the income of the working people, is spent on military needs. The tremendous growth of military expenditures is attested by the following figures: in 1929 the direct military expenditures of all capitalist countries amounted to 4,200 million dollars, whereas in 1958 the military expenditures of the NATO member states alone exceeded 60,000 million dollars. In only one month the military expenditures of these states amount to a sum which is enough to cover the expenses it would take to irrigate all of the Sahara Desert.

The money spent on World War II would be enough to build a five-room apartment for every family in the world, to give secondary education to every child in the world, and to build a hospital for every 5,000 people all over the world.

The decay of capitalism also expresses itself in the fact that the imperialist bourgeoisie uses its profits made by exploiting the colonies and dependent countries to bribe the upper stratum of the working class, the so-called workers' aristocracy, and to make it serve its interests.

Imperialism Is Moribund Capitalism

Imperialism extremely aggravates all the contradictions of capitalism. The main contradictions of imperialism are: 1) contradictions between labour and capital; 2) contradictions between the imperialist powers; and 3) contradictions between the parent states and the colonies. These contradictions can no longer be settled within the framework of capitalism.

Thus the development of capitalism, especially in its highest stage, leads to the necessity for a socialist revolution intended to abolish private ownership of the means of production and the exploitation of man by man.

The development of capitalist countries in the epoch of imperialism takes place unevenly and intermittently. This is attested by the change in the part played by different countries in the industrial production of the entire capitalist world (see the table; the figures are expressed in per cent).

COUNTRY	1870	1913*	1917	1946	1958
U.S.A.	23.3	37.9	41.4	59.1	46.9
England	31.8	14.8	12.5	12.1	10.5
F.R.G.	13.2**	16.6**	9.0**	3.8	8.3
France	10.3	6.8	6.0	5.1	5.4

* Without Russia.

** All of Germany.

As the foregoing table shows, in 1870 England held first place in industrial production among the capitalist countries, the U.S.A. held second place, Germany—third, and France—fourth. In 1913 the U.S.A. not only held first place in industrial production, but produced almost as much as Germany, England and France taken together. Germany held second place, England—third, and France—fourth. In 1937 the U.S.A. produced 50 per cent more than England, Germany and France taken together.

After World War II, in 1946, the share of the U.S.A. in the industrial production of the capitalist world increased to 59.1 per cent, and in 1958 dropped to 46.9 per cent.

The unevenness of economic development leads to extreme aggravation of the contradictions among the imperialist countries.

The uneven economic development of the capitalist countries in the epoch of imperialism leads to an unevenness of their political development. Thus the working class movement has developed unevenly since its inception. In the course of the 19th century the centre of the revolutionary movement shifted from England (1830s-40s) to Germany (1844-49), to France (1871) and back to Germany (last third of the 19th century). In the beginning of the 20th century the centre of the international revolutionary movement shifted to Russia.

The uneven economic and political development of capitalist countries leads to the fact that the prerequisites for the victory of a socialist revolution mature at different times in different countries. The operation of the law of uneven economic and political development of capitalist countries during the period of imperialism causes a general weakening of world imperialism. The uneven maturation of the revolution excludes the possibility of a simultaneous victory of socialism in all countries or in most countries. There arises a possibility of breaking the imperialist chain in its weakest link, a possibility of victory of the socialist revolution first in a few countries or even in one country.

The theory of imperialism as the highest and last stage of capitalism, the theory of victory of the socialist revolution in one country was developed by V. I. Lenin.

IMPERIALIST POLICIES OF THE GREAT POWERS AT THE END OF THE 19TH AND BEGINNING OF THE 20TH CENTURIES

Aggravation of the Imperialist Contradictions

In the 19th century the economic and political contradictions among the biggest imperialist states became aggravated. Gradually two hostile groups arose, one headed by England and the other by Germany. Markets and colonies became an acute problem. But there were no longer any "free" territories anywhere in the world. The big capitalist states, primarily Germany, the U.S.A. and Japan, which had started their colonial seizures later than other big powers, considered

themselves cheated out of their share of sources of raw materials and markets, and raised the problem of redivision of the colonies and spheres of influence. The seizure of colonies was aimed not only at obtaining enormous profits, but also at settling the internal contradictions at the expense of the peoples of the colonial countries since part of the colonial profits was used to bribe the upper stratum of the working class.

Enslavement of the Peoples of East Africa. Mahdist Uprising in Sudan

At the end of the 1870s the English and French bankers established financial control over Egypt. In 1882 the people of Egypt rose in arms under the leadership of Arabi Pasha, an officer of the Egyptian army. The rebels demanded the ousting of foreigners and introduction of bourgeois reforms. In response to this England started war against Egypt, completely occupied the country and established a colonial regime in it.

In 1881 a popular anti-imperialist uprising headed by Mohammed Ahmed (called the Mahdi) began in Sudan. The uprising of the Sudanese peasants, nomads and slaves was aimed against the English colonialists and the Egyptian feudal bureaucracy. In 1885 the rebels liberated the whole country and occupied its capital—Khartoum. An independent Mahdi state was formed; it existed for 13 years.

During the war of 1896-98 the English colonialists seized Sudan and abolished the Mahdi state. They barbarously destroyed the city of Omdurman, displayed the chopped-off heads of prisoners of war on the walls of Khartoum and Omdurman, demolished Mahdi's mausoleum and burned his remains in the fire-chamber of a steamship boiler. The Mahdi uprising inspired the peoples of Egypt, India and other subjugated countries of Africa and Asia to resistance against the colonialists.

Colonial Seizures of Germany

The conclusion of the Triple Alliance in 1882 (Germany, Austria-Hungary and Italy) enhanced the world role of Germany. The German imperialists openly demanded so many

colonies as would best fit the country's military and economic power.

In the 1880s Germany intensified its expansionist policy. In April 1884 it announced its protectorate over the trading station of the Bremen merchant Lüderitz in the Angra Pequena Bay, South West Africa, and over the adjacent coast from Angola (Portuguese colony) to the Cape Colony. Thus Germany seized a vast territory and named it German South West Africa.

In the middle of 1884 Germany seized Togo and the Cameroons, and in 1885—the territory in the eastern part of Africa together with Zanzibar, and named it German East Africa.

Spanish-American War

The United States also very actively seized colonies. In 1898 they provoked the Spanish-American War. Long before the war the U.S.A. openly announced their expansion in Latin American countries and in the Far East. Under cover of the Monroe Doctrine* and the "good neighbour" policy the U.S.A. increased their economic interference in Latin American countries, ousting the European states. Simultaneously they tried to establish their economic domination in countries of the Far East—Japan, China, etc. To consolidate their positions in that area, the U.S.A. annexed the Hawaiian Islands in 1898, making them a base for expansion in the countries of the Far East. In 1899 the U.S.A. transformed the Eastern Samoa Islands into their colony. The U.S.A. wanted to seize the Philippines (Spanish colony) to strengthen their hold on the Far East, and planned to seize Cuba to penetrate into Latin America. Preparations for war with Spain had begun.

An armed uprising under the leadership of José Martí, Máximo Gómez y Ruez and Antonio Maceo flared up in Cuba in 1895, and in the Philippines in 1896. The U.S.A. decided to take advantage of this struggle and seize Cuba

* The Monroe Doctrine is a declaration of U.S. policy with regard to Latin America made in 1823. Formally aimed against interference of European powers, the Monroe Doctrine ("America for Americans") actually tried to substantiate the striving of the U.S.A. to establish their influence all over the American continent.

and the Philippines under the pretext of helping the rebels. In 1896 U.S. Congress adopted a special resolution on the necessity of intervening in the Cuban events and addressed to Spain a proposal for mediation. Spain rejected the proposal, and the U.S.A. intensified their war preparations.

McKinley, the new U.S. President, made the immediate seizure of Cuba and the Philippines the chief aim of his policy. On February 15, 1898, an explosion occurred under mysterious circumstances on the U.S. warship *Maine* in Havana Harbour and the ship sank. An investigation of the explosion was begun. Even before the beginning of the investigation the American government lay the blame for it on Spain. Spain was willing to compromise, but the question of war had already been decided on.

On April 21, the U.S.A. started hostilities without declaring war. Spain was utterly defeated on the islands and on the sea. According to the armistice signed in Manila after capitulation of the Spanish troops, Spain relinquished Cuba, Puerto Rico and other islands in the West-Indies in favour of the U.S.A. The question about the Philippines was left open.

Taking advantage of Spain's weakness, Germany and England tried to lay their hands on some of Spain's colonies. Germany demanded the sale of the Mariana, Caroline, Marshall and Canary islands. Spain agreed to negotiate the sale of all islands except the Canaries.

In view of the claims made by Germany and England, Spain had to satisfy the demands of the U.S.A., and on December 10, 1898, a peace treaty was signed in Paris; according to the treaty, Spain recognised Cuba's "independence", ceded Puerto Rico and Guam, and sold the Philippines for 20 million dollars to the U.S.A. In the beginning of 1899 an agreement, selling the Mariana, Caroline and Marshall Islands to Germany for a negligible sum (25 million pesetas), was signed; at the same time the territory of Western Samoa became a German colony. The U.S.A. continued to occupy the territory of "independent" Cuba even after the signing of the peace treaty. The country was ruled by an American military governor.

In 1901 U.S. imperialists forced the so-called Platt Amendment on Cuba. This fettering obligation actually transformed Cuba into a U.S. colony. In accordance with the Platt

Amendment, the U.S.A. were given the "right" to intervene in Cuban affairs and Cuba was prohibited from entering into any foreign agreements and from receiving foreign loans without the sanction of the U.S.A.; moreover, the U.S.A. acquired naval bases in Cuba. Fearing new actions of the Cuban people who were struggling for the independence of their country, the U.S.A. disbanded the Cuban army. The United States thus ended the war, begun, as the government had declared, for Cuba's liberation and independence.

The Spanish-American War was the first war for redivision of the world, the result of the uneven, intermittent development of capitalism. The United States of America, one of the strongest imperialist countries, were the first to resort to war for a redivision of the world and for markets.

Boer War

In 1899 England started an aggressive war against the Transvaal and Orange Free State (South Africa), inhabited by Boers, descendants of Dutch settlers. The latter had seized these lands from the Africans, the native inhabitants. The Boers resisted stubbornly. They inflicted several defeats on the English troops and waged an extensive partisan struggle. But the Boers themselves pursued a policy of racial discrimination with regard to the native Negro population and thereby undermined their own strength.

In 1902 England forced on the Transvaal and Orange Free State an imperialist peace, according to which the two republics became English colonies.

Imperialist Expansion of the U.S.A. in Latin America

At the end of the 1870s and the beginning of the 1880s a French company started building the Panama Canal. The unprecedented corruption that transformed the construction of the Canal into a scandalous adventure (since then the word "Panama" has acquired a negative connotation) resulted in bankruptcy of the company. In 1902 the French government sold its concession rights to the government of the U.S.A. In January 1903 the governments of the U.S.A. and Colombia signed an agreement on leasing a strip of Colombian territory to the U.S.A. for 99 years for the

purpose of building a canal. However, the Colombian Congress refused to ratify the treacherous agreement of its government. The U.S.A. responded by fomenting, with the aid of their agents, an uprising in the zone of the construction and openly supported the uprising. A new state—Panama—was formed on the Isthmus of Panama. The United States immediately recognised it and under protection of their armed forces started building the canal; the construction was finished in 1914. The U.S.A. have used the Panama Canal for the purpose of enslaving the countries of Latin America.

American monopolists granted the Latin American states loans on terms which were extremely advantageous for the monopolists. English bankers also had large investments in these countries, but owing to the aggravated Anglo-German contradictions England decided not to quarrel with the U.S.A. and made big concessions. The United States were also dissatisfied with the increased competition of the German commercial firms in Latin American countries.

Of enormous importance for the upsurge of the national liberation movement of the Latin American peoples was the 1910-17 revolution in Mexico; the revolution, aimed against imperialist expansion and feudal survivals, shook the positions of the feudal-clerical reaction and foreign capital in the country.

Boxer Revolt in China (1899-1901)

England, France and the United States of America considered Germany their chief rival. Germany did not conceal its intentions to prepare a "big war". It was feverishly building railways, reinforcing its garrisons in the colonies and creating a powerful navy.

The refusal of England and France to satisfy the colonial claims of the German militarists further aggravated the relations between these countries. But against the national liberation movement these countries acted jointly. When the popular anti-imperialist revolt of the Boxers started in China in 1899, the imperialist powers organised an international expeditionary force under the command of a German general and sent it to suppress the revolt. The revolt was suppressed in 1901 by the joint efforts of the imperialist powers.

The anti-imperialist revolt of the Boxers prevented the complete territorial division of China and proved enormously important for the development of the national liberation movement in the country.

After prolonged negotiations the imperialist states forced China to sign the Final Protocol in 1901, according to which China had to satisfy most territorial claims of the invaders, grant them the right to collect taxes from the population, and pay an enormous indemnity of 980 million liang (about 1,500 million gold rubles). China was actually transformed into a semicolony of the imperialist powers. The representatives of the Manchu ruling dynasty agreed to these demands because they feared their own people even more.

Before the Boxer Revolt the territory of China had already been divided into spheres of influence; the defeat of the revolt consolidated this division. The basin of the Yangtze began to be regarded as the zone of English domination, Shantung Province—German domination, Yunnan Province—French domination, the north-eastern provinces (Manchuria)—Russian, and Fukien Province—Japanese. Under the guise of a 25-year "lease" England seized the Weihaiwei seaport, France (99-year "lease")—Kuangchowwan, Germany (99-year "lease")—the port of Tsingtao, and tsarist Russia (25-year "lease")—Port Arthur.

The joint actions of the colonialists against the Chinese people did not smooth away the contradictions among them.

In connection with the division of China into spheres of influence the U.S.A. advanced the "open door" doctrine,* assuming that economically it would be easier for them to effect their expansion in China.

German Expansion in the Middle East

Germany prevailed on Turkey to grant German capitalists concessions to build the Bagdad Railway from the Bosphorus through Asia Minor and Mesopotamia to the Persian Gulf.

* The "Open Door and Equal Opportunities" doctrine was the policy proclaimed by the U.S.A. with regard to China in 1899. The U.S.A. demanded abolition of the spheres of influence of the imperialist powers in China, and concession of equal commercial and industrial rights to all foreign countries throughout China. Not expecting to obtain any spheres of influence, American imperialism strove thus to ensure its domination over all of China.

This railway was supposed to be of great strategic importance. The agreements with Turkey were signed in 1893 and 1903.

Germany's expansion in the Middle East and its advance towards the Persian Gulf threatened the interests of English imperialists in India. In January 1899 England declared a protectorate over Kuwait and planned to seize Arabia and Mesopotamia. All that acutely aggravated the imperialist contradictions between England and Germany in the Middle East and in Africa. To achieve their expansionist aims, the German imperialists chose the way of armed seizure since England and France had refused to satisfy Germany's demands peacefully. German imperialists started building a powerful navy capable of competing with the English navy.

Each new step made by Germany in preparing the war intensified Germany's disagreements with England and France.

Construction of the Kiel Canal (1895), which enabled Germany to unite the fleets of the North and Baltic seas, the rapid growth of the naval and land forces, the extensive plan for building warships elaborated by Admiral Tirpitz and approved by the Reichstag in 1898, the penetration of the German monopolies into Latin American countries, Africa and the Balkans, and the concessions for construction of the Bagdad Railway, all caused anxiety of the ruling circles of England and France.

Russo-Japanese War of 1904-05

Japan planned to seize the north-eastern provinces of China with their rich mineral deposits, but Russia stood in Japan's way. Moreover, Japan wanted to seize Sakhalin which belonged to Russia and offered access to Siberia.

In the beginning of 1904 Japan attacked Russia without declaring war. Russia was entirely unprepared for war and, as early as 1905, the tsarist government had to sign an armistice.

In 1905 the first Russian revolution began; it stimulated revolutions in a number of dependant countries—the Iran revolution (1906-11), Young Turk revolution (1908-09), Sinhai revolution in China (1911-13), the revolutionary

movement in Korea, and the national liberation struggle in India, Indonesia and the Arab countries.

The government of tsarist Russia feared its own people more than anything else. The Russian revolution of 1905-07 scared the ruling circles so much that the tsarist government agreed to capitulate in order to prevent the victory of the revolution. According to the Portsmouth Peace Treaty (signed in September 1905), Russia ceded the southern part of Sakhalin to Japan, recognised the predominant influence of Japan in Korea and Manchuria, and relinquished its rights to Port Arthur and the Eastern Chinese Railway.

Russia's international prestige was undermined. Taking advantage of this, Germany increased its expansion in the Balkans and in Turkey. The aggressive policy of German imperialism scared not only Russia, but also England, because Germany threatened English influence in the Middle East.

Torn by acute internal contradictions and the national liberation war of the oppressed peoples, Turkey found itself in increasingly greater economic and financial dependence on England and France.

Formation of Two Imperialist Blocs

Fearing the Triple Alliance (imperialist Germany, Austria-Hungary and Italy), England and France wanted to fulfil their predatory plans by way of a compromise and in 1904 concluded an agreement known in history as the Entente Cordiale. The main aim of the Anglo-French agreement was to suppress by joint efforts the national liberation movement in Africa and in the Middle East.

To counterbalance Germany in Europe, England and France decided to win Russia over to their side in the hope of getting Russia's aid. As the result of long negotiations, an Anglo-Russian agreement was signed in 1907 on spheres of influence in Iran, Afghanistan and Tibet. The agreement envisaged the division of Iran into three zones: the northern part of the country was to be under Russian control, the central part was considered a neutral zone, while the southern part was to be the sphere of English influence. England especially insisted on domination in this zone because of the very rich oil deposits discovered there.

According to this agreement, Russia conceded to England domination in Afghanistan. The agreement mitigated the Anglo-Russian contradictions and forced tsarist Russia to transfer the centre of its expansionist policy to the Balkans. England hoped to involve Russia in a conflict with Austria-Hungary, Germany's ally, and thereby to tie Russia faster to the Entente.

FIRST IMPERIALIST WORLD WAR

The signing of the Anglo-Russian agreement completed the creation of the Entente as an imperialist bloc of England, France and Russia. A period of bitter struggle between the two imperialist groups began. However, there were such great contradictions within the groups themselves (disagreements between Italy and Austria-Hungary over Tyrol, the Adriatic coast and other territories) that Italy began to seek support from the Entente countries, and during World War I left the Triple Alliance and joined the Entente. There were disagreements also within the Entente. Russia was dissatisfied with the striving of England and France to prevent Russia's access to the Black Sea Straits (Bosporus and Dardanelles) which had long been the aim of expansion of Russian tsarism.

Despite the agreement on the division of spheres of influence in Africa reached by England and France, certain disagreements between the two countries persisted. The United States of America legally observed neutrality, although they actually sided with the Entente because they considered German imperialism the greatest threat to their own interests.

World War I

Thus the struggle between the imperialist blocs—the Triple Alliance and the Entente—resulted in World War I with the subsequent participation of Japan, the U.S.A., Turkey and other countries. The war was imperialist and predatory on both sides and was an unjust war.

The German imperialists intended to create "Great Germany" or "Central Europe", including the Baltic coun-

tries, Poland, the Ukraine, Scandinavia, Belgium, Holland, South-West Asia, Australia, Hungary, the Balkans and part of France. They planned to create a vast colonial empire in Africa and in the basin of the Pacific, and dreamt of dominating South America, hoping to seize the colonies of England, France, Belgium and other countries. German imperialism wanted to oust its chief competitor-England, to crush its naval power and to lay its hands on the English naval bases.

The English imperialists aimed at smashing Germany, as the most dangerous rival in the world market, weakening its economic power, destroying the German navy and merchant marine, taking possession of the colonies, seizing Mesopotamia, Palestine and Arabia, and consolidating its hold on Egypt.

The French imperialists strove not only to regain Alsace and Lorraine, wrested from France by Germany in 1871, but also to seize the Ruhr basin, annex the Saar region, weaken Germany's economic and financial power and occupy the German colonies in Africa.

The imperialists of tsarist Russia aspired to establish their political and military domination in the Balkans, annex Galicia and seize Constantinople and the Black Sea Straits.

By unleashing war the imperialists of both groups tried to weaken and impede the working-class movement in their countries.

World War I weakened economically some countries and fostered more rapid development and enrichment of other countries (especially the U.S.A. and Japan). In 1916 only 48 of U.S. biggest trusts made about 965 million dollars profit, almost three times the average profits obtained during the three prewar years. The losses in human lives and material wealth during World War I exceeded those of the preceding 125 years. According to official figures, 9,700,000 people were killed, 21 million were wounded and crippled, and millions of people died of hunger and epidemics during World War I.

Chapter 9

SOCIO-ECONOMIC AND POLITICAL PREREQUISITES FOR A SOCIALIST REVOLUTION IN RUSSIA

The history of capitalism is the history of the struggle of the working class against exploitation, for the overthrow of the bourgeois system and for building a new society, a society of free and equal people. The attempts of the working class to overthrow the rule of the bourgeoisie failed time and again. This problem was for the first time successfully solved in Russia in 1917 by the victory of the Great October Socialist Revolution. The October Revolution was a natural result of the development of society. The prerequisites for a revolution in Russia had formed long before its victory.

Russia's Entrance into the Period of Imperialism

After the fall of serfdom the development of capitalism in Russia proceeded very rapidly. The industrial revolution occurred towards the 1880s. Many new industrial enterprises were built. Between 1866 and 1890 their number increased from 2,500-3,000 to 6,000. During the same period the length of the railways increased from 4,000 to 29,000 km. By 1890 the large enterprises with more than 100 workers constituted less than seven per cent of all the country's enterprises, but accounted for more than half the total industrial output. Russian industry made still more rapid progress from the second half of the 1890s. In 1890 Russia produced 1,500 million rubles' worth of goods and in 1900 already 3,000 million rubles' worth.

Towards the beginning of the 20th century capitalism in Russia, as in the other capitalist countries, reached its highest and last stage of development-imperialism. The chief branches of industry were dominated by monopolies.

The biggest associations of monopoly capital were created during the period of the acute economic crisis of 1900-03 when almost half the enterprises stopped working. A syndicate *Prodamet* (Society for the Sale of Articles Made by Russian Metal Works)—was founded in 1902. This syndicate sold 83 per cent of all the iron and 74 per cent of all the cast iron produced in Russia. The syndicate *Produgol* created in 1904 sold 75 per cent of all the coal mined in the country. The syndicate *Prodvagon* founded the same year monopolised almost all of the production and sales of all railway carriages and goods vans in Russia. Big monopolies were also created in other branches of industry.

In Russia, as in the other imperialist countries, banking capital was coalescing with industrial capital and on that basis finance capital and a financial oligarchy were being formed. An enormous role in industry and transport was played by the State Bank, the Nobility and Peasant banks, and private joint-stock banks—Petersburg International, Volga-Kama, Azov-Don and other banks. The Russian financial oligarchy exerted an increasingly greater influence on the policies of the tsarist government.

Monopoly capital developed in Russia with all its typical features, but it also had its own specific characteristics.

Main Characteristics of Imperialism in Russia

The characteristics of imperialism in Russia were determined primarily by deep-rooted survivals of feudalism in the economy and in the political system. One of the most important results of this was the dependence of tsarist Russia on West European imperialism, which in its turn contributed to formation of the specific features of Russian imperialism.

The main survivals of serfdom in capitalist Russia were landlordism and tsarism. In the beginning of the 20th century, 30,000 landlords owned more than 70 million hectares of land. About as much land was owned by 10.5 million peasant households. A peasant household owned an average of 7 hectares of land, a landowner—about 2,300 hectares. The biggest landlords owned vast estates of many thousands of hectares of land. The tsar was the biggest landlord; the tsar's family owned 7 million hectares, as much land as was owned by half a million peasant households. To provide for their

families, peasants had to rent land from landowners on the hardest of terms. Peasants could not pay rent and therefore had to work for a certain time on landowners' estates. The landowners for the most part conducted their economics as of old, using forced and unproductive labour of peasants. The land, both on the landowners' estates and in the peasants' households, was tilled primitively with scarcely any new machinery. All this impeded the development of the productive forces in agriculture. The monopoly landownership enabled the landowners to fix high prices on land, which also hampered the development of capitalism in industry and agriculture. Community landownership and the discharge of a number of feudal obligations by the peasants hindered the migration of the rural population to towns and limited the chances of the capitalists to obtain cheap labour power.

Survivals of serfdom also persisted in the political and social life of the country. The tsarist autocracy was a form of dictatorship of serf-owning landlords. All the main posts in the state were filled by big landowners. Thousands of gendarmes and police guarded the tsar, the landowners and capitalists from the people. Close to 200,000 ministers of the cult and monks stupefied the people and taught them obedience to the exploiters. Tsarism kept the working people in ignorance. Almost four-fifths of the population of Russia were illiterate.

While expressing the interests of the serf-owning landlords, tsarist autocracy also supported the capitalists. At the request of manufacturers the authorities readily sent troops to break strikes. That was why the Russian bourgeoisie, which feared the movement of the popular masses more than anything else, was interested in tsarism with its huge machinery of violence and suppression. The Russian bourgeoisie did not care to struggle against tsarism and the survivals of serfdom, but strove to come to terms with tsarism.

The remnants of serfdom retarded the development of Russia. In the beginning of the 20th century Russia's coal output was one-twentieth of the coal output in the U.S.A. and almost one-fourteenth of the coal output in England. Compared with the advanced capitalist countries Russia's economic backwardness did not diminish, but, on the contrary, increased with each passing year. Thus, 50 years after the fall of serfdom the consumption of iron in Russia increased

fivefold, but Russia remained a backward agrarian country. Russian industry had much less new machinery and equipment than England and Germany, to say nothing of the U.S.A. Russia did not have such leading branches of industry as machine-tool manufacture, large-scale mechanical engineering, automobile manufacture, etc. The machinery and machine-tools required for the Russian industry were imported from abroad.

Russia's technical and economic backwardness made Russia dependent on West European imperialism. Owing to the scarcity of Russian capital the development of capitalist relations in Russia caused an influx of foreign capital to Russia. With the transition of the European countries to imperialism the export of goods to Russia was increasingly replaced by export of capital. The foreign capital investments in Russian industry were made through joint-stock companies. A good deal of foreign capital was also invested in Russian banks. In 1890 the foreign investments in Russian jointstock companies amounted to more than 200 million rubles, whereas by 1917 they exceeded 2,000 million rubles. In the fixed capital of Russia's joint-stock industrial companies foreign capital accounted for 33 per cent, and in the capital of the main Russian banks—for 43 per cent. Foreign capitalists exercised their sway in the most important branches of industry. Foreigners controlled 67 per cent of the pig iron smelted in the south of Russia, 70 per cent of the coal mining, 60 per cent of all oil extracted in Russia, and 63 per cent of the copper mining.

The influx of foreign capital to Russia was stimulated by the high profits obtained by the owners of this capital. The high profits were ensured by cruel exploitation of the Russian working people. Foreign financiers, especially French, willingly granted loans to the tsarist government. The burden of paying the interest on those loans was shifted to the Russian people. In 15 years, between 1898 and 1913, tsarist Russia paid foreign imperialists 5,000 million rubles as interest and dividends. Economically Russia became increasingly more dependent on the more developed imperialist states, especially England and France.

The peculiarities of the formation of imperialism also determined the specific features of its main characteristics in Russia.

The concentration of production reached a higher level in Russia than in other countries. For example, the enterprises employing more than 500 workers accounted for 53.4 per cent of all workers in Russia and only 33 per cent in the U.S.A. However, while there were large enterprises in Russia, the country lacked whole branches of industry capable of ensuring further technical progress (large-scale mechanical engineering, production of electric equipment, etc.). The technical level of industry, as a whole, lagged behind that of the advanced capitalist countries. In Russia monopolies operated mainly in the sphere of marketing and to a lesser extent in the sphere of production, and that was why the syndicate was the most typical form of monopoly in Russia. The decisive role in these syndicates was often played by foreign capital.

The export of Russian capital was negligible. Russian capital was exported only to a few backward, semicolonial countries, for example Persia, Turkey and China. Russia was itself a country to which capital was imported from France, England, Belgium and other countries.

Russian imperialism participated in the international monopolies of capitalists for the division of the world, but did not play a decisive role in them. Moreover, the Russian market was itself an object of division among the monopolies of Western Europe and the U.S.A.

Tsarist Russia strove to take part in the redivision of the world. After the defeat in the war with Japan and the loss of its influence in Manchuria tsarism seized the sphere of influence in Northern Persia. Together with the imperialists of England and France the tsarist government nurtured plans for a division of Turkey.

Russia became one of the links in the chain of world imperialism which extremely aggravated all the contradictions of capitalist society. In Russia the contradictions of imperialism assumed a particularly sharp form with the result that they could be settled only by a revolution. A revolution in Russia was primarily supposed to abolish the survivals of serfdom which impeded the progressive development of the country. All the reactionary forces—tsarism and the landowners, the Russian and foreign bourgeoisie—were connected by common interests. That was why the struggle against tsarism and the landowners was at the same time a

struggle against imperialism, which made it possible for the bourgeois-democratic revolution in Russia to develop into a socialist revolution. The forces necessary for such a revolution were maturing in Russia. The main force was the proletariat.

Formation of a Modern Working Class

The first workers appeared in Russia during serfdom. But at that time they were not an independent political force. As large-scale industry developed, a modern industrial proletariat began to form. In 1865 there were 706,000 workers in Russia's large industrial enterprises, whereas 25 years later their number increased twofold, and in the beginning of the 20th century it reached almost 2.5 million. Close to 10 million workers were employed in industry, transport, construction, agriculture, etc.

The Russian proletariat was forming as the world's most revolutionary proletariat. That was due to the objective conditions under which it was coming into existence.

The growth of capitalism in Russia, while feudal survivals persisted, gave rise to the most brutal exploitation of workers who were deprived of all political rights. Protected by the tsarist government the capitalists robbed and oppressed the workers with impunity. Russia had a 12-13-hour working day almost till the end of the 19th century; in textile mills the working day was even 15-16 hours. There was no labour protection whatsoever. The capitalists fixed the workers' wages at their own discretion. Workers were cheated out of their pay. The employers forced the workers to buy foodstuffs at high prices in shops owned by the employers. Between 35 and 40 per cent of the workers' wages were deducted as fines. Pyotr Moiseyenko, a revolutionary worker, wrote in his reminiscences: "They fined you for everything. If you happened to pass by the director's windows with your hat on, you were fined. If you spoke loudly in the barracks, you were fined. If you came out into the street with an accordion, you were fined. If your wife bore twins, you were fined. It was enough to make you wish you were dead." The workers lived in crowded factory barracks with two- or three-storied plank-beds. A gendarme officer who investigated the conditions of Moscow workers in 1902 wrote: "In very small rooms divided into 8 cubicles there live 18-24 people, a family with

children sleeping in each cubicle. A cubicle is 70 inches long and about 56 inches wide." For any show of discontent workers were dismissed from work, imprisoned and condemned to penal servitude.

In Russia the contradictions between labour and capital grew extremely acute. Cruel exploitation and inhuman conditions of life and work drove the workers to a resolute struggle against the capitalists. The bulk of industrial workers were concentrated in large enterprises where the very conditions of work trained the workers in a spirit of organisation and discipline. The collective nature of work was conducive to united action of the workers in their struggle against the exploiters.

The proletariat formed in Russia later than in other countries. It could therefore put to good use the experience of struggle, which the workers of other countries had accumulated by that time. The good organisation of the Russian proletariat and its most brutal oppression made it particularly receptive to revolutionary theory. Whereas the working class of Western Europe began its struggle against feudalism under the leadership of the bourgeoisie, in Russia the working class came forward at once as an independent political force. The task of abolishing the survivals of feudalism and of clearing the way for progressive development of the country was shouldered by the Russian working class which expressed the interests of the whole of society. Tsarism was the bulwark not only of Russian, but also of all of the European and Asian reaction, and the struggle for its overthrow therefore placed the Russian proletariat in the vanguard of the international revolutionary proletariat.

Under imperialism the Russian proletariat rose as the decisive force capable of crushing tsarism and of paving the way to a socialist revolution.

The strength of the working class lies not only in its numbers, class-consciousness and organisation, but also in the community of its interests with other sections of the working people. The workers together with their families accounted for about five per cent of the population, but the part played by the proletariat in the revolutionary movement was far greater, owing to the support it was given by the non-proletarian masses of working people.

Intensification of the Peasants' Struggle for Land

The overwhelming majority of Russia's population (close to 85 per cent) were peasants. The continued landlords' ownership of land doomed the peasants to poverty and ruin. Deprived of a considerable part of land after the reform of 1861 most peasants could not earn a living by tilling their own land for which they had to pay an exorbitant redemption sum. A considerable part of their time the peasants had to work for landowners, thereby paying for the rent of land, the use of meadows, passage through the landowner's territory, etc.

The peasants were also ruined by the tsarist government. They paid big taxes for the maintenance of the army, police and other government bodies. For failure to pay taxes in due time they were whipped and their property was auctioned. For any disobedience to the authorities they were severely punished. Churches and monasteries also collected contributions from the peasants.

The poorly tilled and unfertilised land yielded poor crops. The peasants were always undernourished, and during crop failure died in scores of thousands of hunger and epidemics.

The development of capitalism led to a stratification of the peasantry. A very small section of the peasants grew rich, concentrating in their hands the land and draught animals and exploiting the poor peasants unmercifully. The rich peasants were the rural bourgeoisie and were named kulaks. The middle peasants barely coped with their households, were often ruined and joined the ranks of the poor peasants who were the rural proletarians and semi-proletarians. By the end of the 19th century about 6.5 million of the 10 million peasant households were poor, 2 million were middle, and 1.5 million were rich. Ruined middle peasants increased the number of poor peasant households with each passing year.

The desperate situation of the peasants impelled them to rise against the landowners. The peasant actions assumed a particularly wide scope in 1902 in the Kharkov and Poltava provinces (in the Ukraine) and in some other provinces of the European part of Russia. The peasants took away the landowners' grain and cattle and set fire to their estates. The revolts were cruelly suppressed by tsarist troops, but the

peasants continued their struggle. Between 1900 and 1904 there were 620 peasant revolts. These uprisings were spontaneous and disunited, but they showed that the peasants were an enormous revolutionary force. The peasants lacked sufficient organisation to struggle against the landowners for land and took recourse to the working class, feeling that only the working class could help them out of their poverty.

The union of Russian workers and peasants in the struggle against the tsar and landowners formed in the beginning of the 20th century. Within the peasantry itself there began a struggle of the poor peasants against the kulaks, which created prerequisites for a union of the working class and the toiling peasantry not only in the bourgeois-democratic, but also in the socialist revolution.

Growth of the National Liberation Movement

Tsarist Russia was justly called a prison of the peoples. Fifty-seven per cent of Russia's population were non-Russians. The conditions of workers and peasants in the outlying national areas were even worse than in the central regions of the country. In the national areas the working people were doubly oppressed—by their own, local exploiters and by Russian landowners and capitalists.

Russia's entrance into the period of imperialism aggravated the conditions of the non-Russian working people still more. Owing to the inadequate development of the productive forces plunder of the oppressed peoples was one of the most important sources of income of Russia's ruling classes. The lands of the peasants of the national areas were expropriated and settled by Russians under the pretext of increasing the allotments of the peasants of central Russia who had too little land. Strife between different nationalities was thus artificially created. Russian landowners were appointed as governors or viceroys of the national areas. Vested with unlimited powers they imposed various taxes on the working people and together with numerous officials extorted bribes from the local population.

The Russian landlords and capitalists subjected the oppressed peoples to numerous insults and humiliation. Non-Russians were contemptuously called aliens. In the national areas it was prohibited to teach in schools and publish books

and journals in the native language. The population of these areas was almost totally illiterate; some of the peoples did not even have a written language. Russian was the official language throughout the country.

In its striving to divert the attention of the people from the class struggle the tsarist government intensified the national strife. It set one nation against another. The authorities organised Jewish pogroms, armed Armenians and Azerbaijanians and provoked armed conflicts between them, and kindled ill will among other peoples. National strife weakened the onslaught of the working people against tsarism.

The bourgeoisie of the national areas wanted to rid itself of Russian tsarism in order to set up more favourable conditions for exploiting the working people of their own nationality, but feared their own growing working-class movement and therefore compromised with tsarism. Russian landowners and capitalists. Only the proletariat of the oppressed nationalities could stir the working people to action for national liberation. Tsarism was the main obstacle to the freedom of national development. All oppressed nationalities were rising against it. The leading force in this struggle for national liberation was the local proletariat which rose together with the Russian proletariat against the common enemy—tsarism. The national liberation movement was becoming a formidable force in the struggle for the overthrow of tsarist autocracy.

Complete liberation of working people from national oppression is possible only with abolition of private ownership of the instruments of production, which separates people. The national liberation struggle of the peoples of multinational Russia led by the proletariat was therefore a powerful reserve not only of the bourgeois-democratic, but also of the socialist revolution in Russia.

Beginning of the Proletarian Period of the Revolutionary Movement

Three periods are distinguished in the Russian revolutionary movement of the 19th century. In the beginning of the 19th century the movement against tsarism was headed by nobles—representatives of the ruling class. In December 1825 they stirred up a rebellion which was smashed by tsarism. The revolutionary nobles were out of touch with the people

and constituted a negligible minority of the ruling class which on the whole formed a firm foundation for tsarist autocracy. After 1861 it was the democratic intelligentsia, which stemmed from the peasantry and the petty urban bourgeoisie, that rose to the struggle. These revolutionaries (*raznochintsy*, as they were then called) had closer ties with the people than did the nobles, but they did not as yet know the real ways of revolution and did not see that the decisive force in the struggle was the proletariat. The proletarian period started in the middle of the 1890s when the broad masses of the people began to take part in the revolutionary movement and were headed by the proletariat, the only class which was revolutionary to the end.

The working-class movement came into existence in Russia as early as the 1860s. According to incomplete data, there were 326 actions of workers in the course of 10 years (1870-79). The first working-class organisations—the South-Russian Workers' Union and the Northern Union of Russian Workers—were created in the 1870s. But these were only the initial steps in the struggle of the working class. Most actions were as yet spontaneous, and the workers made only economic demands.

In the 1880s there were 446 strikes. That of the Orekhovo-Zuyevo weavers at Morozov's factory in January 1885 was a particularly big strike. It was headed by advanced workers—Pyotr Moiseyenko and Vasily Volkov. They had called a meeting of the most revolutionary workers, and the meeting decided to start the strike in an organised manner and not to resume work until the main demands of the workers—restoration of the rates of pay cut but shortly before, and abolition of the predatory fines—were satisfied. The strike of 8,000 Morozov workers lasted 10 days. The government succeeded in breaking the strike only by force of arms. Close to 600 workers were arrested. Frightened by the scope of the action the tsarist government had to issue a law on fines, which somewhat limited the arbitrary rule of the capitalists. By its organised struggle the Russian working class wrested the first concession from the exploiters.

At that time the first Marxist organisations began to appear in various Russian cities and abroad; however, these organisations had very weak connections with the working-class movement and could not give it any leadership.

In the middle of the 1890s the Russian proletariat came forward already as an independent political force. A single illegal Marxist organisation—the League of Struggle for the Emancipation of the Working Class—was created in St. Petersburg at the end of 1895. The creator and leader of the League of Struggle was V. I. Lenin.

V. I. Lenin (1870-1924) was the founder and leader of the Communist Party and the Soviet state. He embarked on the path of revolutionary struggle in 1887, when he was a 17-year-old student of Kazan University. For participation in revolutionary activity Lenin was arrested and banished.

Lenin made a careful study of the works of Marx and Engels and became a convinced Marxist. He took an active part in the work of Marxist circles and played a prominent role in spreading Marxism in Russia. Soon after moving to St. Petersburg in 1893, he became the generally recognised leader of the St. Petersburg Marxists.

The St. Petersburg League of Struggle for the Emancipation of the Working Class was the first in the history of Russian social democracy to combine the study of scientific communism with leadership of the working-class movement. In 1896 the League of Struggle headed a strike of 30,000 St. Petersburg textile workers. The struggle was so successful that the tsarist government had to limit the working day by law to 11.5 hours. The regulation of the working day was already a victory of the proletariat. The St. Petersburg strikes of 1895-96 opened a new stage in the history of Russia—a stage of preparation for a popular revolution. From then on the growing mass working-class movement developed under the leadership of Marxists. Organisations similar to the League of Struggle were also set up in other cities.

The working-class movement experienced a particularly rapid upsurge in the beginning of the 20th century. The upsurge was connected with the world economic crisis of 1900-03. As the result of the crisis nearly 3,000 industrial enterprises were closed down and scores of thousands of workers lost their jobs in Russia. The working class began to resort to new forms of struggle, namely, political strikes and demonstrations. In 1901 the workers of St. Petersburg, Moscow, Kharkov, Kiev and other cities for the first time came out into the streets with the slogan "Down with Autocracy!". The strike of the workers of the Obukhov Plant in

St. Petersburg was particularly stubborn. The workers fought for the reinstatement of their comrades dismissed for celebrating May Day and demanded that this day should be declared a holiday. The strike ended in a clash between the workers and tsarist troops. In 1902 there were strikes and demonstrations in a number of cities. Many of them were brutally suppressed by troops. The strike of the workers of Rostov-on-Don proved especially important. The police was unable to cope with the strikers. The strike was broken only with the aid of specially assigned military units.

In the summer of 1903 a general political strike broke out in the south of Russia and spread to many cities of Transcaucasia and the Ukraine. More than 200,000 workers took part in the strike.

Formation of the R.S.D.L.P.

Objective prerequisites for a revolution formed in Russia in the beginning of the 20th century. They were: a relatively high level of development of capitalism, existence of a revolutionary proletariat and its ally, the poverty stricken peasants many millions strong, and a powerful national liberation movement. The contradictions of imperialism, intensified by the survivals of serfdom, reached the extreme and could be settled only by revolution. Russia, where capitalist exploitation was aggravated by the survivals of serfdom, national oppression and domination of tsarism over all of social and political life, became the weakest link in the world imperialist chain.

A revolution, i.e., the breaking of this weak link in the chain, requires not only objective, but also subjective prerequisites. Subjective prerequisites for revolution are the ability and readiness of the advanced class to rise in order to overthrow the ruling classes; the ability and readiness are determined by the consciousness and organisation of this class. These qualities of the working class are trained, are forged by its revolutionary party in the process of the class struggle. The growing revolutionary upsurge of the masses required a political leader and organiser, a guiding and directing force of the movement. Only a revolutionary party of the proletariat could be such a force. Only a party armed with an advanced theory could lead the struggle of the working

class. Only a party could educate the working class in the spirit of championing the interests of the whole people and unite the different movements—the class struggle of the proletariat, the democratic struggle of the peasants for land and the struggle of the peoples for national liberation—into a single revolutionary stream aimed at overthrowing tsarism and capitalism.

An attempt to create such a party had been made as early as 1898 when a congress of Social-Democratic circles and organisations was called. The Congress proclaimed the formation of the Russian Social-Democratic Labour Party (R.S.D.L.P.). Actually, however, the Party had not been formed. The programme and rules of the Party had not been adopted, and the Central Committee elected by the Congress was soon arrested. Locally the Social Democratic organisations were disunited. In some of them an opportunist trend called "economism" prevailed. The "economists" rejected the political struggle for changing the existing system and proposed to limit the struggle only to that for economic reforms.

To create the Party, it was necessary to rally all the revolutionary Marxist forces, and to do that, it was necessary resolutely and clearly to define the position of the Party and to refuse to acknowledge any opportunist elements. It was necessary to create a party of a new type, different from the West European parties whose leaders wanted the working class to come to terms with the capitalists and rejected the conquest of political power by the proletariat.

The organiser of the Party of the new type in Russia was V. I. Lenin. In 1895 he was arrested for revolutionary activity, and spent five years in prison and exile. In 1900, after exile, he had to go abroad where, together with G. V. Plekhanov and other Russian Social-Democrats, he founded the newspaper *Iskra* (Spark). Lenin's *Iskra* did a great deal to unite the revolutionary Social-Democrats ideologically and organisationally. It exposed the "economists" as bearers of bourgeois influence on the proletariat, elaborated drafts of the programme and rules of the Party, and prepared the convocation of the 2nd Congress of the R.S.D.L.P.

The 2nd Congress of the Party took place in 1903. At first it worked secretly in Brussels and then in London. The Congress created a Marxist Labour Party in Russia, adopted a

programme and rules of the Party and elected its leadership. The programme indicated the main task of the Party, which was to build socialism, and the principal conditions for its accomplishment, namely, carrying out a socialist revolution and establishing a dictatorship of the proletariat. The programme also outlined the immediate tasks of the Party to be accomplished as the result of a bourgeois-democratic revolution; these were an overthrow of the autocracy and establishment of a democratic republic, introduction of an eight-hour working day, complete equality of all nationalities and their right to self-determination, and elimination of the remnants of serfdom in the countryside. Guiding itself by this programme the Party headed the struggle of the Russian working class for the overthrow of tsarism and abolition of capitalism.

The rules of the Party adopted by the 2nd Congress consolidated the principle of centralism in the Party's structure. The Congress rejected the opportunist principle of autonomism and federalism.

At the Congress a struggle flared up between Lenin's adherents and opponents on a number of questions concerning the programme and tactics. In the elections of the Party leadership Lenin's adherents received the majority of votes and therefore began to be called *Bolsheviks* (from the Russian word *bolshinstvo*, meaning majority), while his opponents who received the minority of votes began to be called *Mensheviks* (from the Russian word *menshinstvo*, meaning minority). The Bolsheviks were consistent revolutionary Marxists, while the Mensheviks represented the opportunist wing of the Party. A struggle had to be waged against them for many years.

The creation of a revolutionary Marxist Party in Russia was one of the greatest events in the revolutionary movement. In the person of the Party the proletariat and all Russian working people acquired a political leader and organiser. It also served as the turning-point of the entire international working-class movement, for it was the first time during the period of imperialism that a party capable of ensuring a victory of the socialist revolution and of establishing a dictatorship of the proletariat for the purpose of building a new society had been created.

Bourgeois-Democratic Revolution of 1905-07

The contradictions of all of Russia's social life were aggravated still more by the Russo-Japanese War which began in 1904. The war worsened the conditions of the working people. The country's economy was shattered and the prices of food-stuffs rose with the result that the real wages of the workers dropped 25 per cent. The peasant households lost their workers because the men were called to military service. All of the above excited the discontent of the working people. The tsarist troops suffered defeat in the war with Japan. Tsarism betrayed its inability to wage war and rule the country. A general national crisis matured in the country and only a revolution could settle it. The revolution began after the events of January 9, 1905, when the tsar ordered the shooting down of a peaceful demonstration of workers, and lasted until 1907.

The first Russian revolution was a bourgeois revolution because it did not directly aim at destroying the capitalist system, but was only supposed to do away with the survivals of serfdom. However, it was a popular revolution because its main forces were the proletariat and the peasantry which demanded establishment of a democratic republic, an eight-hour working day and confiscation of the landowners' lands.

The revolution of 1905-07 was the first bourgeois-democratic revolution of the epoch of imperialism. It was headed by the proletariat and not by the bourgeoisie, as had been the case in the revolutions in the West. It was mainly a peasant revolution because its main economic objective was the solution of the agrarian problem in favour of the peasantry. Bourgeois-democratic in content, it was proletarian in virtue of the leading role played by the proletariat and the methods of struggle, the chief methods being a general political strike and an armed uprising. In case of victory the revolution was supposed to develop into a socialist revolution.

Despite the heroic struggle of the workers and peasants the revolution was defeated. At that time a firm union of the working class and the peasantry could not yet be formed and the two classes acted disunitedly. Most of the soldiers remained loyal to the tsar and took part in suppressing the revolution. The workers also failed to act in concert. The

uprisings in the different cities did not occur simultaneously and were not united in a single all-Russia uprising. Nor did the workers have a single leadership; the splitting tactics of the Mensheviks who acted as agents of the bourgeoisie in the working-class movement weakened the onslaught of the working class against tsarism. Serious assistance was rendered to tsarism by imperialists of other countries, who granted loans to the tsarist government for the purpose of fighting the revolution.

The first Russian revolution attested that the centre of the world revolutionary movement had shifted to Russia. It provided a powerful stimulus to the upsurge of the international working-class and national liberation movement.

The revolution of 1905-07 gave the Russian proletariat a remarkable experience of struggle. It was a sort of dress rehearsal of the February 1917 bourgeois-democratic and the Great October Socialist Revolutions.

The political consciousness of the Russian workers made a tremendous leap in the course of 1905 alone. On January 9 the workers still believed the tsar and went to plead with him to improve their life. In December 1905 the working class was already waging an armed liberation struggle. The number of workers on strike in January 1905 was 440,000, whereas the number striking during the preceding 10 years had been 430,000. A total of about 3 million industrial workers struck in 1905. In no other country had there been such a strike movement.

More than half the country was involved in revolutionary peasant action. The peasant movement spread to the Ukraine, Transcaucasia and the Baltic areas. An alliance of the working class and the peasantry, and a union of the working people of different nationalities were being created and consolidated in the revolutionary battles.

The First Russian Revolution showed all classes and parties in action. The Russian bourgeoisie openly sided with tsarism and thereby revealed its counter revolutionary nature.

Such formerly unknown form of struggle as a general political strike developing into an armed uprising came to the fore in 1905.

Soviets of Workers' Deputies were created in the course of the revolution by the masses themselves. They were insurrectionary bodies and a rudimentary form of the revolution-

ary-democratic dictatorship of the proletariat and peasantry, i.e., new state power.

The Party of Bolsheviks acquired considerable political experience. It gained its prestige among the masses on the barricades. Its membership rapidly increased. It was becoming a mass party.

The lessons and experience of the 1905 Revolution were utilised in the Great October Socialist Revolution.

Victory of the February Bourgeois-Democratic Revolution of 1917

The defeat of the Revolution of 1905-07 was followed by a period of cruel reaction. Punitive expeditions suppressed the last foci of revolutionary action. Thousands of workers, peasants and intellectuals were condemned to penal servitude. But after the Revolution tsarism was no longer what it had been before; its strength was sapped. The first breach was made in the tsarist monarchy and the breach was slowly but steadily widening and weakening the old, medieval order. Tsarism was forced to create a semblance of a parliament—a State Duma, to allow the existence of trade unions and the publication of legal revolutionary literature. During those years the Party of Bolsheviks worked underground, but utilised every legal means to prepare the proletariat for a new offensive.

A new revolutionary upsurge began in Russia in the second half of 1910. At first it was slow, but then increasingly gathered momentum. Close to 1.5 million workers struck already in the first half of 1914; the strike movement was greater than in the summer of 1905. Barricades appeared in St. Petersburg, Lodz and a number of other cities, but the revolutionary upsurge was interrupted by the outbreak of the world war.

World War I was a manifestation and beginning of the general crisis of capitalism. The uneven and intermittent development of capitalism during the period of imperialism resulted in a sharp unbalance of the world system of capitalism. The war which was supposed to ensure a redivision of the world weakened imperialism and made it more vulnerable. It was precisely at that time that V. I. Lenin, who was developing

the Marxist theory of socialist revolution, arrived at the conclusion of the possibility of victory of revolution during the period of imperialism first in one or several countries and the impossibility of simultaneous victory of revolution in all countries. Lenin came to this conclusion on the basis of the intensification of uneven economic and political development of capitalist countries during the period of imperialism. The uneven development of the capitalist countries was conducive to the uneven maturation of revolution in the different countries. Russia was a vivid example of uneven political development. It outstripped the other countries politically in a short time and became the centre of the revolutionary movement, while its proletariat became the vanguard of the international working class. According to Lenin's theory, a socialist revolution must start where the economic and political prerequisites have matured. Lenin's theory of socialist revolution developed the revolutionary activity of the proletariat of different countries.

As the result of all of the preceding development, Russia proved to be the best prepared country for socialist revolution. It was the weakest link in the world chain of imperialism. The immediate and direct task of the revolution in Russia was still the overthrow of tsarism and liquidation of other survivals of feudalism; at the same time the chances for development of the bourgeois-democratic revolution into a socialist revolution had become greater than in 1905. During the more than 10 years the proletariat had grown and gained strength. It had gone through a hard school of struggle. The stratification of the peasantry had become deeper. The national liberation movement had become more powerful, which was attested, for example, by the uprisings in Central Asia and Kazakhstan in 1916.

Russia was not prepared for the war. Despite the heroism of the soldiers the tsarist army, which was inadequately armed and lacked good commanders, suffered defeats. The war brought the working people hunger and cold and exacted innumerable sacrifices, which engendered mass discontent. The strikes occurred increasingly more frequently. During the second half of 1914 there were 35,000 strikers. In 1915 there were already more than 500,000, and in 1916—more than a million. In the countryside the peasants seized the landowners' grain and implements and set fire to their

estates. Revolutionary action in the army took place increasingly more often.

The decisive events occurred in the beginning of 1917. The workers of the Putilov Works in Petrograd went on strike in February and were soon joined by workers of other enterprises. Workers' demonstrations took place at the call of the Bo'sheviks on February 23-26, and the police was unable to disperse them. On February 27 the uprising involved the whole capital. The soldiers of the capital's garrison joined the workers. On February 27, 1917, the autocracy was overthrown. The bourgeois-democratic revolution won. Its main active force was the proletariat and its ally was the peasantry dressed in army uniforms. The participation of the broad masses of the people in the bourgeois-democratic revolution created the possibility for its development into a socialist revolution, the possibility for a complete overthrow of the power of the bourgeoisie.

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Printed in the Union of Soviet Socialist Republics

ИСТОРИКО-ЭКОНОМИЧЕСКИЙ ОБЗОР

Часть II

КАПИТАЛИСТИЧЕСКОЕ ОБЩЕСТВО

(из собрания книг)